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1 Profit and loss account 1 Jan – 31 Dec 2015

	2015		2014	
	€		€	
Contribution income				
Local government pension contributions ¹⁾	5,013,257,509.42			4,970,562,814.95
Unemployment Insurance Fund contribution	224,232,046.47			193,817,589.30
Financial support	6,111,772.16			6,638,330.24
	5,243,601,328.05			5,171,018,734.49
Pension expenditure				
Local government pension expenditure ²⁾	-4,545,300,419.63			-4,350,680,941.78
Adjustments to pension expenditure ³⁾	7,157,471.66			10,256,520.27
Financial support	-6,000,791.89			-6,531,406.04
Rehabilitation	-15,226,631.00			-13,544,211.39
	-4,559,370,370.86			-4,360,500,038.94
NET INCOME FROM FINANCIAL OPERATIONS		684,230,957.19		810,518,695.55
Net investments income⁷⁾		2,030,210,986.42		3,376,446,762.06
NET INCOME FROM FINANCIAL AND INVESTMENT OPERATIONS		2,714,441,943.61		4,186,965,457.61
Statutory net payments				
Statutory payments	-8,767,817.03		-10,156,292.01	
Payments received ¹⁰⁾	2,503,248.97	-6,264,568.06	<u>2,966,618.55</u>	-7,189,673.46
Net operating costs				
Operating costs				
Personnel ^{8),9)}	-40,544,656.75		-40,820,229.74	
Other operating costs ⁹⁾	-40,923,813.95		<u>-53,383,113.34</u>	
	-81,468,470.70		-94,203,343.08	
Depreciation⁹⁾	-6,260,386.31		-6,990,457.44	
Payments received^{9),10)}	22,434,733.73	-65,294,123.28	25,346,499.58	-75,847,300.94
Other income and expenses		194,348.53		114,858.11
FUNDED RESULTS		2,643,077,600.80		4,104,043,341.32
Decrease/increase(-) in pension liability fund		-2,643,077,600.80		-4,104,043,341.32
RESULT		0.00		0.00

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

2 Balance sheet at 31 Dec 2015

ASSETS	2015	2014
	€	€
Intangible assets		
Intangible rights ¹²⁾	28,412,668.25	31,014,550.61
Investments		
Real estate investments		
Real estate and shares in real estate ¹¹⁾	2,775,844,751.01	2,644,474,823.63
Loans receivable from subsidiaries and associated companies ^{13), 19)}	218,501,237.17	221,157,210.61
	2,994,345,988.18	2,865,632,034.24
Other investments		
Equities and shares ¹¹⁾	26,933,868,904.15	27,513,584,884.96
Money market instruments ¹¹⁾	10,605,608,433.18	10,471,103,164.83
Loan receivables ¹³⁾	455,902,371.85	535,882,319.42
	37,995,379,709.18	38,520,570,369.21
Total investments ¹¹⁾	40,989,725,697.36	41,386,202,403.45
Receivables		
Contribution income claims	412,379,120.86	410,447,383.41
Receivables from subsidiaries and associated companies	1,559,831.99	3,711,464.42
Other receivables ¹⁴⁾	65,175,768.87	78,473,846.22
	479,114,721.72	492,632,694.05
Other assets		
Machinery and equipment ¹²⁾	3,048,454.28	3,316,758.51
Other ¹²⁾	2,603,690.55	2,603,690.55
Cash at bank and in hand	3,660,697,716.65	502,667,465.63
	3,666,349,861.48	508,587,914.69
Accrued income and prepayments		
Prepayments ¹⁴⁾	352,814,953.94	334,734,188.10
Accumulated interest	108,870,694.80	139,436,725.53
Other accrued income ¹⁵⁾	95,299,450.81	98,888,694.08
	556,985,099.55	573,059,607.71
TOTAL ASSETS	45,720,588,048.36	42,991,497,170.51

2 Balance sheet at 31 Dec 2015

LIABILITIES	2015	2014
	€	€
Pension liability fund ¹⁶⁾	44,948,763,056.34	42,305,685,455.54
Liabilities		
Liabilities to subsidiaries and associated companies ¹⁹⁾	1,105,305.11	1,647,880.72
Other liabilities ¹⁷⁾	476,523,680.64	298,337,266.19
	477,628,985.75	299,985,146.91
Accrued liabilities and deferred income		
Accrued liabilities ¹⁸⁾	274,576,243.87	367,257,826.27
Deferred income	19,619,762.40	18,568,741.79
	294,196,006.27	385,826,568.06
TOTAL LIABILITIES	45,720,588,048.36	42,991,497,170.51

3 Source and application of funds 2015

	2015	2014
	€	€
Pension liability fund, decrease/increase	2,643,077,600.80	4,104,043,341.32
Adjustments:		
Changes in valuation	1,872,199,724.72	-482,706,522.61
Depreciation	6,260,386.31	6,990,457.44
Profit/loss from divestments	-4,601,684,477.90	-3,294,880,253.04
Cash flow before change in working capital	-80,146,766.07	333,447,023.11
Decrease (+)/increase(-) in receivables	29,592,480.49	-387,851,239.18
Increase (+)/decrease (-) in liabilities	185,560,583.43	48,175,999.90
Cash flow from business operations	135,006,297.85	-6,228,216.17
Assets bought (excl. cash assets)	-3,026,414,152.89	844,061,636.94
Investments in intangible and tangible assets, and proceeds from disposals	3,390,199.72	-810,006.43
Cash flow from investments	-3,023,023,953.17	843,251,630.51
Change in cash assets	3,158,030,251.02	-849,479,846.68
Cash at bank and in hand at 1 Jan	502,667,465.63	1,352,147,312.31
Cash at bank and in hand at 31 Dec	3,660,697,716.65	502,667,465.63
Change	3,158,030,251.02	-849,479,846.68

4 Accounting principles

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

4.1 Consolidated financial statements

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

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 them is paid to the 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 minimal significance on the result, balance sheet and pension liability fund. The associated company Municipality Finance Plc engages in credit institution activity differing to 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.

4.2 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 financial year 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 entered in the profit and loss account.

4.3 Contribution income and pensions

Contributions under the Local Government Pensions Act consist of three parts: the pay-based contribution, pension expenditure-based contribution and early retirement pension expenditure-based contribution. The pay-based contribution is 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 pay-based advance and final contributions in the previous year.

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

The transfer of the assets required to pay state pensions has been decided in section 1 of Government Decree 784/2010. The transfer of the assets required to pay Evangelical-Lutheran Church and Social Insurance Institution Kela personnel pensions has been decided in section 1 of Government Decree 1299/2011. These payments have no impact on the result 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 the Central Church Fund have no impact on Keva's financial statements.

4.4 Valuation of investments

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

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

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

The latest available closing price 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 the 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.

Loan receivables are entered at nominal value or likely value, whichever is the lower.

4.5 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.

4.6 Securities lending

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

4.7 Financial collateral

Cash and securities collateral given on behalf of commitments (e.g. derivative contracts) are included in the balance sheet and are valued at fair value in the financial statements. More detailed information about collateral given is shown in the notes to the financial statements.

4.8 Return on investments

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

4.9 Valuation of assets other than investments

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

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

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

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

The present value of the benefits accrued under the local government pension system 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 local government pensions to be paid and those unpaid pensions accrued by the end of the reporting period.

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

4.11 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, based on the following economic lives:

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

4.12 Foreign currency items

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

4.13 Leases

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

4.14 Operating costs and depreciation

Operating costs and depreciation are stated as separate items in the profit and loss account, adjusted with received payments. The division

into the pension, investment and administrative functions is shown in the notes to the financial statements.

4.15 Payments for pension services provided

Since the beginning of 2011, Keva has been statutorily in charge of implementing the state pension system for employee customers and, since the beginning of 2012, the implementation of the pension system of the personnel of the Evangelical-Lutheran Church and Social Insurance Institution of Finland (Kela). The State has been reimbursing Keva for the costs arising from the implementation of the state pension system in accordance with Section 2 of Government Decree 784/2010. The Evangelical-Lutheran Church and Social Insurance Institution of Finland (Kela) have been reimbursing Keva for the costs arising from the implementation of their pension systems in accordance with Section 2 of Government Decree 1299/2011. The amount of these payments has been calculated according to the absorption price as referred to in Section 6 of the Act on Criteria for Charges Payable to the State (150/1992). Since the start of 2013, Keva has handled the statutory tasks related to the state pension insurance matters of state employers and the contract-based collection of the Evangelical-Lutheran Church's pension contributions.

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

4.16 Personnel pension security

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

5 Notes to the profit and loss account

5.1 Local government pension contributions ¹⁾

Contribution type	2015	2014
	€	€
Pay-based contributions		
employers' contribution	2,892,998,155.08	2,808,907,277.91
employees' contribution	<u>1,041,009,590.29</u>	<u>1,005,396,418.41</u>
	3,934,007,745.37	3,814,303,696.32
Pension expenditure-based contributions	946,000,000.00	1,005,000,000.00
Early retirement pension expenditure-based contributions	134,000,000.00	152,000,000.00
Total local government pension contributions for the year	5,014,007,745.37	4,971,303,696.32
Total adjustments in previous years	-750,235.95	-740,881.37
Total local government pension contributions	5,013,257,509.42	4,970,562,814.95

5.2 Local government pension expenditure ²⁾

Pension benefit	2015 €	2014 €
Old-age pension	3,749,162,669.91	3,538,975,968.69
Early old-age pension	136,261,259.12	135,170,523.37
Disability pension	379,847,839.11	387,567,361.46
Individual early retirement pension	2,279.87	5,912.83
Unemployment pension	13,994.58	99,347.04
Survivors' pension	181,435,948.56	181,775,090.66
Part-time pension	42,811,101.57	54,258,956.69
Cash rehabilitation benefit	54,762,709.26	51,993,929.10
Rehabilitation increment	810,298.15	734,351.60
	4,545,108,100.13	4,350,581,441.44
Compensation for transfer of EU pensions	192,319.50	99,500.34
Total	4,545,300,419.63	4,350,680,941.78

5.3 Adjustments to pension expenditure ³⁾

	2015 €	2014 €
Returned pensions	4,335,073.74	3,670,820.03
Other adjustments	2,822,397.92	6,585,700.24
Total	7,157,471.66	10,256,520.27

5.4 State pension expenditure ⁴⁾

	2015	2014
	€	€
Expenditure by benefit type		
Old-age pension	3,547,237,137.15	3,466,167,013.90
Early old-age pension	119,726,082.53	120,987,374.09
Disability pension	128,351,194.14	139,878,026.16
Individual early retirement pension	37.71	
Part-time pension	15,390,360.88	19,062,123.93
Unemployment pension	0.00	350,462.09
Survivors' pension	322,776,093.59	327,671,065.93
Rehabilitation allowance	1,384,173.39	1,390,280.97
Rehabilitation increment	110,572.30	112,997.64
Cash rehabilitation benefit	10,829,630.79	10,801,001.64
Compensation for rehabilitation and expenses	132,439.14	156,432.12
Total expenditure	4,145,937,721.62	4,086,576,778.47
Payments and refunds of cost division (net)¹⁾	294,363,285.81	265,198,906.52
Total expenditure	4,440,301,007.43	4,351,775,684.99
Income		
Advance payments received	-4,472,526,000.00	-4,366,193,004.00
Excess advance payments returned	32,224,992.57	14,417,319.01
Total income	-4,440,301,007.43	-4,351,775,684.99
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 the different cost divisions, other pensions paid on behalf of the State by other pension companies, and transfers of EU pensions.

5.5 Evangelical-Lutheran Church pension expenditure ⁵⁾

	2015	2014
	€	€
Expenditure by pension benefit		
Old-age pension	172,664,597.83	163,012,582.80
Early old-age pension	8,766,281.07	8,772,685.77
Disability pension	11,381,939.40	11,229,728.22
Extra pension	19 929.64	21,545.40
Individual early retirement pension	0.00	2,650.96
Part-time pension	851,769.79	1,226,306.10
Unemployment pension	6.98	11,358.89
Survivors' pension	10,217,118.81	10,276,209.21
Rehabilitation allowance	282,578.97	280,485.63
Rehabilitation increment	16,385.34	21,073.86
Cash rehabilitation benefit	1,804,424.64	1,643,166.73
Compensation for rehabilitation and expenses	37,026.54	39,152.81
Total expenditure	206,042,059.01	196,536,946.38
Payments and refunds of cost divisions (net) ¹⁾	-25,573,087.76	-20,849,480.32
Total expenditure	180,468,971.25	175,687,466.06
Income		
Advance payments received	-184,417,272.00	-176,869,164.00
Excess advance payments returned	3,948,300.75	1,181,697.94
Total income	-180,468,971.25	-175,687,466.06
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 the different cost divisions, other pensions paid on behalf of the Evangelical Lutheran Church by other pension companies and transfers of EU pensions.

5.6 Social Insurance Institution Kela pension expenditure ⁶⁾

	2015	2014
	€	€
Expenditure by pension benefit		
Old-age pension	81,742,729.38	77,814,008.15
Early old-age pension	5,074,608.88	5,122,482.61
Disability pension	4,526,539.24	5,032,733.35
Part-time pension	1,031,183.85	1,283,364.70
Survivors' pension	2,963,966.50	3,009,569.19
Rehabilitation allowance	69,161.04	58,008.17
Rehabilitation increment	1,364.18	7,384.20
Cash rehabilitation benefit	427,381.87	353,586.17
Compensation for rehabilitation and expenses	12,325.02	5,159.79
Compensation for transfer of EU pensions	3.21	
Total expenditure	95,849,263.17	92,686,296.33
Payments and refunds of cost divisions (net) ¹⁾	-2,975,114.84	-2,162,095.11
Total expenditure	92,874,148.33	90,524,201.22
Income		
Advance payments received	-94,950,043.00	-86,373,408.00
Excess advance payments returned	2,075,894.67	-4,150,793.22
Total income	-92,874,148.33	-90,524,201.22
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 the different cost divisions, other pensions paid on behalf of the Social Insurance Institution by other pension companies, and transfers of EU pensions.

5.7 Net investment income ⁷⁾

	2015	2014
	€	€
Investment income		
Interest income	216,396,285.22	242,129,863.53
Dividend income	98,254,837.60	157,333,835.14
Real estate income	163,731,765.24	159,601,067.35
Divestment profit and other income	7,672,273,823.07	4,339,676,069.05
	8,150,656,711.13	4,898,740,835.07
Investment expenses		
Real estate investment expenses	-65,564,673.52	-60,948,611.43
Divestment losses and other expenses	-4,182,681,326.47	-1,944,051,984.19
	-4,248,245,999.99	-2,005,000,595.62
Change in valuation items		
Equities and equity funds	-1,683,241,329.23	-612,068,534.66
Bonds	-795,628,530.08	589,330,951.82
Short-term investments	294,807.66	53,213.14
Private equity funds	125,897,361.80	160,702,479.30
Hedge funds	313,169,501.42	238,298,335.97
Unlisted equities	56,806,841.79	-345,348.00
Real estate	66,202,182.38	14,841,844.51
Other shares in subsidiaries and associated companies	38,554,950.04	37,747,365.56
Commodity investments	5,744,489.50	54,146,214.97
	-1,872,199,724.72	482,706,522.61
Net investment income	2,030,210,986.42	3,376,446,762.06

5.8 Personnel expenses ⁸⁾

	2015	2014
	€	€
Salaries and remuneration ^{*)}	31,354,813.05	31,726,230.86
Pension costs	6,305,507.12	6,370,180.69
Other statutory social security expenses	1,733,276.78	1,605,533.70
Voluntary social security expenses	1,151,059.80	1,118,284.49
	40,544,656.75	40,820,229.74

Salaries and remuneration paid to the CEO and Deputy CEOs

CEO Jukka Männistö	232,646.64
Acting CEO Tapani Hellstén 1 Oct – 31 Dec 2015	50,938.67
Deputy CEO Tapani Hellstén	165,371.19
Deputy CEO Kimmo Mikander since 23 March 2015	137,533.15

5.9 Operating costs and depreciation by operation ⁹⁾

2015	Pensions	Investments	Administration	Total
Type of cost	€	€	€	€
Personnel	-21,256,531.28	-6,791,912.49	-12,496,212.98	-40,544,656.75
IT	-18,857,605.06	-3,089,374.62	-3,024,624.11	-24,971,603.79
Services purchased	-1,428,123.58	-7,090,000.61	-1,844,094.66	-10,362,218.85
Other operating costs	-434,421.85	-618,873.72	-4,536,695.74	-5,589,991.31
External expenses	-41,976,681.77	-17,590,161.44	-21,901,627.49	-81,468,470.70
Internal income and expenses	-5,350,240.36	-1,045,742.79	6,395,983.15	0.00
Total operating expenses	-47,326,922.13	-18,635,904.23	-15,505,644.34	-81,468,470.70
Depreciation	-4,159,238.23	-102,324.48	-1,998,823.60	-6,260,386.31
Total operating expenses and depreciation	-51,486,160.36	-18,738,228.71	-17,504,467.94	-87,728,857.01
Payments received ¹⁰⁾	17,532,921.24	0.00	4,901,812.49	22,434,733.73
Net operating costs	-33,953,239.12	-18,738,228.71	-12,602,655.45	-65,294,123.28

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

5.10 Payments received ¹⁰⁾

	2015	2014
	€	€
For statutory payments		
State	2,244,951.89	2,656,452.40
Evangelical-Lutheran Church	178,087.01	216,419.77
Social Insurance Institution Kela	80,210.07	93,746.38
	2,503,248.97	2,966,618.55
For operating costs		
State	18,920,355.58	21,508,738.88
Evangelical-Lutheran Church	2,248,758.74	2,513,582.07
Social Insurance Institution Kela	729,121.44	786,687.20
Other	536,497.97	537,491.43
	22,434,733.73	25 346,499.58
Total payments received	24,937,982.70	28,313,118.13

6 Notes to the balance sheet

6.1 Investments ¹¹⁾

	31 Dec 2015		31 Dec 2014	
	Book value, i.e. fair value, €	Acquisition cost, €	Book value, i.e. fair value, €	Acquisition cost, €
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 *)	29,908,992.69	29,908,992.69	31,037,797.76	31,037,797.76
	40,339,563.69	40,339,563.69	41,468,368.76	41,468,368.76
Investments in real estate				
Land and sites	3,500,000.00	3,500,000.00	3,500,000.00	3,500,000.00
Real estate shares	1,968,885,302.68	1,917,483,951.69	1,900,393,850.36	1,875,619,059.63
Other real estate investments	763,119,884.64	790,060,780.40	699,112,604.51	766,025,453.33
	2,735,505,187.32	2,711,044,732.09	2,603,006,454.87	2,645,144,512.96
Real estate and shares in real estate	2,775,844,751.01	2,751,384,295.78	2,644,474,823.63	2,686,612,881.72
Loans receivable from real estate companies	218,501,237.17	218,501,237.17	221,157,210.61	221,157,210.61
Total real estate investments	2,994,345,988.18	2,969,885,532.95	2,865,632,034.24	2,907,770,092.33
Other investments				
Equities and shares				
Equities	2,895,155,304.52	2,245,759,127.09	4,857,205,808.45	3,779,411,680.78
Equity funds	633,783.83	397,518.27	5,234,642,068.57	3,997,037,671.80
Fixed-income funds **)	738,020,324.67	467,554,908.71	4,406,640,588.19	3,515,163,145.40
Foreign currency funds **)	91,903,267.31	50,298,999.74	80,332,023.26	50,298,999.74
Fund units	17,576,147,013.16	17,049,530,386.15	7,847,998,335.51	7,281,946,505.31
Unlisted equities	208,090,761.64	154,507,893.85	143,259,007.72	146,482,981.72
Private equity funds	2,288,886,161.49	2,028,157,861.41	2,263,183,858.79	2,120,647,773.28
Hedge funds	2,934,589,207.62	2,188,018,799.31	2,312,095,064.60	1,823,177,547.01
Commodity investments	0.00	0.00	206,340,000.00	190,995,397.00
Other shares and holdings in subsidiaries and associated companies	200,443,079.91	24,642,912.61	161,888,129.87	24,642,912.61
	26,933,868,904.15	24,208,868,407.14	27,513,584,884.96	22,929,804,614.65
Money market instruments				
Bonds	9,855,484,858.54	9,298,074,520.16	9,967,497,723.59	9,230,226,806.43
Money market investments	750,123,574.64	749,753,275.86	503,605,441.24	503,529,950.12
	10,605,608,433.18	10,047,827,796.02	10,471,103,164.83	9,733,756,756.55
Loans receivable from other than real estate companies	455,902,371.85	455,902,371.85	535,882,319.42	535,882,319.42
Total other investments	37,995,379,709.18	34,712,598,575.01	38,520,570,369.21	33,199,443,690.62
Total investments	40,989,725,697.36	37,682,484,107.96	41,386,202,403.45	36,107,213,782.95

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

**) The bond and foreign currency funds are stated under equities and shares (previously stated under money market instruments).

	2015	2014
Valuation difference between fair value and acquisition value	3,307,241,589.40	5,278,988,620.50
Negative valuation difference of derivatives	-214,957,167.96	-325,245,807.47
Total valuation difference	3,092,284,421.44	4,953,742,813.03

6.2 Changes in tangible and intangible assets ¹²⁾

	Intangible rights ^{*)} €	Land in own use ^{**)} €	Buildings in own use ^{**)} €	IT hardware €	Machinery and equipment €	Other €	Total €
Completed 1 Jan 2015	25,828,672.92	10,430,571.00	31,037,797.76	2,012,926.88	1,303,831.63	2,603,690.55	73,217,490.74
In progress 1 Jan 2015	5,185,877.69			0.00			5,185,877.69
Balance 1 Jan 2015	31,014,550.61	10,430,571.00	31,037,797.76	2,012,926.88	1,303,831.63	2,603,690.55	78,403,368.43
Changes in 2015							
Completed investments	1,385,953.37			743,365.60	104,466.45		2,233,785.42
Investments in progress	103,315.78						103,315.78
Divestments	0.00				-75,706.55		-75,706.55
Depreciation according to the plan	-4,091,151.51		-1,128,805.07	-616,292.59	-424,137.14		-6,260,386.31
Change for the year	-2,601,882.36		-1,128,805.07	127,073.01	-395,377.24	0.00	-3,998,991.66
Completed 31 Dec 2015	23,123,474.78	10,430,571.00	29,908,992.69	2,139,999.89	908,454.39	2,603,690.55	69,115,183.30
In progress 31 Dec 2015	5,289,193.47						5,289,193.47
Balance 31 Dec 2015	28,412,668.25	10,430,571.00	29,908,992.69	2,139,999.89	908,454.39	2,603,690.55	74,404,376.77

*) Long-term IT expenses

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

6.3 Loan portfolio by borrower ¹³⁾

	31 Dec 2015		31 Dec 2014	
	Book value €	%	Book value €	%
Borrowers				
Subsidiaries, associated and real estate companies	218,501,237.17	32.4%	221,157,210.61	29.2%
Other				
Non-financial corporations, excl. housing corporations, public	154,060,797.40	22.8%	165,548,557.67	21.9%
Non-financial corporations, excl. housing corporations, public, Finnish private	25,124,483.71	3.7%	26,667,299.30	3.5%
Housing corporations	30,511,801.50	4.5%	34,483,996.06	4.6%
Municipalities	168,412,276.32	25.0%	220,109,410.27	29.1%
Joint municipalities	51,636,081.59	7.7%	55,544,644.61	7.3%
Åland Government	14,123,818.44	2.1%	19,792,413.92	2.6%
Employees	7,899,562.27	1.2%	9,126,967.65	1.2%
Non-profit institutions serving households	4,133,550.62	0.6%	4,609,029.94	0.6%
	455,902,371.85	67.6%	535,882,319.42	70.8%
Total loan portfolio	674,403,609.02	100.0%	757,039,530.03	100.0%

6.4 Other receivables and prepayments ¹⁴⁾

Other receivables	31 Dec 2015	31 Dec 2014
	€	€
Interest	428,929.74	509,552.67
Rent	1,217,626.27	723,566.99
Pension	1,043,166.98	1,187,541.18
Withholding tax on dividends	8,450,269.42	6,939,354.43
Sales of securities	1,809,372.35	2,998,350.37
Derivatives	0.00	64,168,000.00
Other	52,226,404.11	1,947,480.58
Total other receivables	65,175,768.87	78,473,846.22

Prepayments	31 Dec 2015	31 Dec 2014
	€	€
Balancing payments to local government pensions	328,960,954.58	313,443,950.60
Balancing payments to Evangelical-Lutheran Church pensions	13,877,849.00	13,282,656.77
Balancing payments to Social Security Institution Kela's pensions	6,087,189.96	5,910,044.99
Other prepayments	3,888,960.40	2,097,535.74
Total prepayments	352,814,953.94	334,734,188.10

6.5 Other accrued income ¹⁵⁾

	31 Dec 2015	31 Dec 2014
	€	€
State	89,368,628.00	82,751,997.00
Evangelical-Lutheran Church	3,686,965.67	3,122,471.00
Social Insurance Institution Kela	2,032,325.00	5,943,314.67
Finnish Centre for Pensions	211,532.14	7,070,911.41
Total other accrued income	95,299,450.81	98,888,694.08

6.6 Pension liability fund ¹⁶⁾

	2015	2014
	€	€
Fund capital 1 Jan	42,305,685,455.54	38,201,642,114.22
Increase	2,643,077,600.80	4,104,043,341.32
Fund capital 31 Dec	44,948,763,056.34	42,305,685,455.54

6.7 Other liabilities ¹⁷⁾

	31 Dec 2015	31 Dec 2014
	€	€
PAYE and social security contributions	85,600,828.42	82,019,948.73
State/PAYE	87,892,530.18	86,465,462.74
Evangelical-Lutheran Church/PAYE	3,579,485.98	3,475,526.88
Social Security Institution Kela/PAYE	2,004,389.24	1,933,970.02
Value-added tax	3,233,606.27	4,030,789.60
Trade payables	1,833,044.00	2,902,243.98
Purchases of securities	0.00	325,428.22
Collateral received for derivative contracts	291,679,659.00	116,564,000.00
Other liabilities	700,137.55	619,896.02
Total other liabilities	476,523,680.64	298,337,266.19

6.8 Accrued liabilities and deferred income ¹⁸⁾

	31 Dec 2015	31 Dec 2014
	€	€
Negative market value of derivatives	214,957,167.96	325,245,807.47
Liability dispersion Finnish Centre for Pensions ETK	8,299,193.21	9,033,877.60
Wages, salaries and holiday pay	9,353,892.65	9,962,555.68
State	34,472,726.79	15,309,535.44
Evangelical-Lutheran Church	4,273,165.44	1,492,671.44
Social Security Institution Kela	2,259,728.46	180,744.41
Other accrued liabilities and deferred income	960,369.36	6,032,634.23
Total accrued liabilities and deferred income	274,576,243.87	367,257,826.27

6.9 Receivables and liabilities, subsidiaries and associated companies ¹⁹⁾

Receivables	31 Dec 2015	31 Dec 2014
	€	€
Loan receivables from subsidiaries, associated and real estate companies ¹⁾	218,501,237.17	221,157,210.61
Capital loans to other real estate companies ¹⁾	30,862,533.13	1,509,989.47
Other receivables from real estate subsidiaries ²⁾	1,559,831.99	3,711,464.42
Prepayments and accrued income from real estate subsidiaries and associated companies ³⁾	752,442.13	927,560.78
Total receivables	251,676,044.42	227,306,225.28

Liabilities	31 Dec 2015	31 Dec 2014
	€	€
Liabilities to real estate subsidiaries and associated companies ⁴⁾	1,105,305.11	1,647,880.72
Total liabilities	1,105,305.11	1,647,880.72

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: liabilities to subsidiaries and associated companies

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

31 Dec 2015 Company name	Holding %	Book value, i.e. fair value €	Acquisition cost €
Land and buildings in own use			
Unioninkatu 43	100.00%	39,595,209.59	39,595,209.59
Järsö course centre and cottages	100.00%	744,354.10	744,354.10
		40,339,563.69	40,339,563.69
Investments in real estate			
Land, sites and buildings			
Albertinkatu 34, site	100.00%	3,500,000.00	3,500,000.00
		3,500,000.00	3,500,000.00
Real estate shares			
Real estate subsidiaries			
Asunto Oy Tampereen Pellavanlikka	100.00%	10,257,000.00	8,162,057.50
Kiint. Oy Lintulahdenkulma	100.00%	8,509,000.00	23,942,418.65
Kiinteistö Oy Abraham Wetterintie 6	100.00%	81,213,000.00	95,999,336.39
Kiinteistö Oy Albertinkatu 34	100.00%	20,954,000.00	15,433,166.76
Kiinteistö Oy Aurajoenranta	100.00%	35,093,000.00	25,393,423.32
Kiinteistö Oy Espoon Itsehallintotie 2-4	100.00%	10,301,000.00	8,242,314.32
Kiinteistö Oy Espoon Keilasatama 5	100.00%	47,545,335.65	51,762,615.43
Kiinteistö Oy Espoon Komentajankatu 4	100.00%	3,956,208.29	2,550,310.98
Kiinteistö Oy Espoon Suviniitty	100.00%	4,853,000.00	5,215,650.81
Kiinteistö Oy Gaselli	100.00%	64,092,000.00	42,600,092.50
Kiinteistö Oy Hatanpään Elisa	100.00%	4,013,000.00	3,414,932.56
Kiinteistö Oy Haukipurontie	100.00%	51,331,000.00	40,160,820.58
Kiinteistö Oy Helsingin Apollonkatu 10	100.00%	19,283,000.00	9,061,442.12
Kiinteistö Oy Helsingin Auringonkehrä	100.00%	14,714,000.00	11,445,677.26
Kiinteistö Oy Helsingin Hämeentie 17 a	100.00%	9,208,475.53	4,915,557.27
Kiinteistö Oy Helsingin Kaarlenkatu 9 -11	99.55%	13,393,000.00	10,966,006.14
Kiinteistö Oy Helsingin Kaivonkatsojantie 8	100.00%	5,917,817.04	4,094,622.77
Kiinteistö Oy Helsingin Kuparitalo	100.00%	21,060,000.00	23,564,712.39
Kiinteistö Oy Helsingin Liisankatu 14	55.87%	15,499,000.00	13,925,957.68
Kiinteistö Oy Helsingin Merikorttikuja 4	100.00%	7,709,000.00	7,403,596.78
Kiinteistö Oy Helsingin Pohjoinen Rautatiekatu 25	100.00%	11,541,000.00	17,795,345.56
Kiinteistö Oy Helsingin Rukkilantie 7-9	100.00%	4,065,000.00	4,191,652.96
Kiinteistö Oy Helsingin Strömberginaukio	100.00%	18,514,000.00	31,921,661.68
Kiinteistö Oy Helsingin Suvilahdenkatu 6	100.00%	7,716,111.44	5,099,455.52
Kiinteistö Oy Helsingin Tapulikaupungintie 11	100.00%	4,992,000.00	4,158,489.83
Kiinteistö Oy Helsingin Tyynenmerenkatu 3	100.00%	33,742,000.00	25,140,780.65
Kiinteistö Oy Helsingin Työpajankatu 13	100.00%	70,867,000.00	52,950,944.81
Kiinteistö Oy Helsingin Valimotie 17-19	100.00%	36,125,000.00	74,937,117.48
Kiinteistö Oy Helsingin Veneentekijäranta	100.00%	6,796,000.00	5,172,079.95
Kiinteistö Oy Hermannin Tuulensuuntori	100.00%	25,151,000.00	26,397,069.52
Kiinteistö Oy Hermian Bitti	100.00%	28,767,000.00	32,806,859.25
Kiinteistö Oy HTC Santa Maria	100.00%	18,381,000.00	22,410,850.14
Kiinteistö Oy HTC Vega	100.00%	29,143,000.00	25,885,992.30
Kiinteistö Oy Hämeenlinnakeskus	100.00%	97,995,274.52	92,760,563.86
Kiinteistö Oy Jokiniementalo	100.00%	9,379,000.00	6,680,794.11
Kiinteistö Oy Jyväskylän Isohovi	100.00%	1,694,000.00	1,346,364.70
Kiinteistö Oy Jyväskylän Schaumanin Puistotie 11	100.00%	3,763,000.00	2,837,202.36
Kiinteistö Oy Kaapelipuisto	100.00%	11,790,000.00	6,651,487.61
Kiinteistö Oy Kaarenmänty	100.00%	2,079,000.00	1,517,825.16
Kiinteistö Oy Kaarenpetäjä	100.00%	2,646,493.17	1,948,209.08
Kiinteistö Oy Kalliokrouvi	100.00%	4,215,000.00	3,766,303.52
Kiinteistö Oy Karanlahti	100.00%	5,374,527.98	7,980,710.35
Kiinteistö Oy Karhu	100.00%	12,822,969.53	12,822,969.53
Kiinteistö Oy Keilarannapuisto	100.00%	35,822,000.00	56,689,636.06

Kiinteistö Oy Kiirulankulma	100.00%	2,575,000.00	10,506,686.26
Kiinteistö Oy Kipparin Kruunu	100.00%	36,947,000.00	26,869,417.27
Kiinteistö Oy Kirkkonummen Kunnantalo	95.00%	27,952,000.00	24,457,276.15
Kiinteistö Oy Konalankuja 1-3	100.00%	4,869,000.00	16,019,196.60
Kiinteistö Oy Kotkan Kaivokaari	100.00%	7,631,000.00	6,302,075.15
Kiinteistö Oy Kouvolan Hansakaari	100.00%	3,051,588.64	2,774,682.42
Kiinteistö Oy Kulma-Sarvis	100.00%	14,018,000.00	16,090,780.91
Kiinteistö Oy Kuopion Haapaniemenkatu 18	100.00%	26,132,000.00	28,584,887.59
Kiinteistö Oy Kuopion Kirkkokatu 1	100.00%	3,608,000.00	7,223,582.20
Kiinteistö Oy Kuopion Safiiri	100.00%	8,568,000.00	8,389,277.38
Kiinteistö Oy Kuopion Särkiranta 6	100.00%	2,117,000.00	2,118,519.69
Kiinteistö Oy Kuopion Tulliportinkatu 3	100.00%	2,267,000.00	1,881,905.54
Kiinteistö Oy Käsityöläiskatu 18	100.00%	10,440,000.00	9,523,536.77
Kiinteistö Oy Lahden Laaksokatu 7	100.00%	2,809,000.00	2,344,901.89
Kiinteistö Oy Lahden Rauhankatu 5	100.00%	4,222,509.04	3,925,762.27
Kiinteistö Oy Lakelanportti	100.00%	5,877,000.00	4,214,651.48
Kiinteistö Oy Lappeenrannan Porarinpolku 1	100.00%	1,977,000.00	1,901,934.24
Kiinteistö Oy Lappeenrannan Valtakatu 43	100.00%	4,351,000.00	4,043,227.37
Kiinteistö Oy Lielahrikeskus	100.00%	29,922,000.00	36,323,203.64
Kiinteistö Oy Lohjantähti	86.46%	8,854,000.00	31,673,323.79
Kiinteistö Oy Mastokoukku	100.00%	12,294,000.00	13,025,396.37
Kiinteistö Oy Menuetto	100.00%	33,115,000.00	34,050,231.28
Kiinteistö Oy Mikonkatu 2 - Pohjoisesplanadi 35	84.18%	46,476,000.00	33,998,967.00
Kiinteistö Oy Oulun Tullipuomi	100.00%	10,254,000.00	8,690,231.14
Kiinteistö Oy Paciuksenkatu 21	100.00%	20,156,000.00	24,399,333.20
Kiinteistö Oy Piispanpuro	100.00%	731,097.95	731,097.95
Kiinteistö Oy Pohjoisesplanadi 37	68.98%	35,435,000.00	24,667,506.42
Kiinteistö Oy Porin Valta-Antti	100.00%	3,767,480.02	3,178,790.61
Kiinteistö Oy Powergate Vaasa	100.00%	6,969,000.00	6,350,364.74
Kiinteistö Oy Quartetto	100.00%	21,451,000.00	29,559,822.88
Kiinteistö Oy Ratinanraitti	100.00%	12,993,000.00	12,729,682.97
Kiinteistö Oy Rauman Kanalinparras	100.00%	3,165,000.00	2,839,542.08
Kiinteistö Oy Riihentausta	100.00%	2,524,000.00	3,468,151.03
Kiinteistö Oy Riihimäen Merkurius	100.00%	1,153,000.00	1,855,953.77
Kiinteistö Oy Rovaniemen Ahjotie 30	100.00%	19,734,000.00	23,159,728.60
Kiinteistö Oy Rovaniemen Pohjanpuistikko	100.00%	16,027,000.00	12,776,044.87
Kiinteistö Oy Rukavarri	78.25%	1,243,290.22	1,243,290.22
Kiinteistö Oy Ruoholahdenkatu 8	100.00%	13,438,000.00	39,771,995.53
Kiinteistö Oy Seinäjoen Alkionkatu 4	100.00%	1,693,000.00	1,409,197.56
Kiinteistö Oy Seinäjoen Torikatu 21	100.00%	2,545,103.76	2,291,792.20
Kiinteistö Oy Sofianlehdonkadun senioritalo	100.00%	10,636,000.00	7,687,403.47
Kiinteistö Oy Spektrin Kvartti	100.00%	10,148,000.00	16,839,043.51
Kiinteistö Oy Sörnäisten Rantatie 31	100.00%	5,297,000.00	7,674,469.53
Kiinteistö Oy Tampereen Hovi-Sarvis	100.00%	6,607,000.00	5,347,725.71
Kiinteistö Oy Tampereen Hämeenkadunaukio	100.00%	22,300,000.00	15,980,768.70
Kiinteistö Oy Tampereen Hämeenkatu 11	66.59%	14,058,000.00	9,602,100.89
Kiinteistö Oy Tampereen Ilveshotelli	100.00%	58,371,000.00	41,405,200.22
Kiinteistö Oy Tampereen Tarmontalo	100.00%	9,797,000.00	8,794,211.99
Kiinteistö Oy Tampereen Tullinkulma	100.00%	7,127,000.00	6,163,151.15
Kiinteistö Oy Tilkanhovi	99.99%	5,590,000.00	3,398,342.94
Kiinteistö Oy Tirkkosentalo	100.00%	12,339,000.00	9,019,315.27
Kiinteistö Oy Turun Catharina	100.00%	451,000.00	1,840,034.52
Kiinteistö Oy Turun Kaakellinna	100.00%	5,540,000.00	9,816,696.70
Kiinteistö Oy Turun Pakkarinpuisto	100.00%	2,048,000.00	6,684,199.13
Kiinteistö Oy Turun Panimonlinna	100.00%	6,324,000.00	13,427,725.04
Kiinteistö Oy Turun Telakkaranta	100.00%	11,639,000.00	10,962,425.51
Kiinteistö Oy Turun Väinämöinen	100.00%	11,843,000.00	10,596,060.19
Kiinteistö Oy Turun Yliopistonkatu 22	100.00%	18,844,740.33	19,606,216.33
Kiinteistö Oy Tuusulan Kievarinkaari	100.00%	2,662,000.00	2,093,375.36

Kiinteistö Oy Tuusulan Pakkasraitti 2A	100.00%	11,966,167.00	13,202,780.40
Kiinteistö Oy Vaasan Pitkätie 52	100.00%	1,572,000.00	1,298,377.65
Kiinteistö Oy Valimotie 15	100.00%	8,131,000.00	23,789,463.13
Kiinteistö Oy Vantaan Hakkilankaari 1	100.00%	17,405,000.00	9,440,691.31
Kiinteistö Oy Vantaan Kielotie 50	100.00%	4,930,000.00	4,383,670.96
Kiinteistö Oy Vantaan Lähettilääntie 7	100.00%	7,362,000.00	6,699,596.98
Kiinteistö Oy Vantaan Puutarharanta	100.00%	4,000,635.83	2,686,036.64
Kiinteistö Oy Vantaan Spinellikuja	100.00%	2,500.00	2,500.00
Kiinteistö Oy Westport	100.00%	22,993,000.00	24,227,239.99
Kiinteistö Oy Värehteaankatu 4	100.00%	9,371,000.00	4,685,032.40
Kiinteistö-oy Rekipellonpuisto 1	98.93%	6,352,000.00	7,360,527.42
Oy Kamppiparkki Ab	100.00 %	73,720,000.00	65,359,482.90
Total real estate subsidiaries		1,795,062,325.94	1,827,564,893.17
Shares in associated companies			
Asunto Oy Espoon Sellonhuippu	49.00%	7,340,200.00	5,605,993.40
Kiinteistö Oy Kauppakeskus Sello	49.00%	133,805,173.53	56,045,114.59
Leppävaaran Hotelliikiinteistö Oy	49.00%	6,762,000.00	4,239,834.28
Kiinteistö Oy Selloparkki	24.81%	490,000.00	3,391,951.86
Kiinteistö Oy Massun Parkki	22.92%	955,153.22	955,153.22
Total associated companies		149,352,526.75	70,238,047.35
Other real estate shares			
Asunto Oy Espoon Sellonkulma	18.38%	6,860,000.00	3,277,451.58
Kiinteistö Oy Kluuvin Pysäköinti	10.10%	1,142,010.53	43,028.53
Asunto Oy Mikonkatu 20	5.40%	748,716.73	748,716.73
P-Turkuparkki Oy	4.71%	652,649.04	656,336.00
Asunto Oy Laivastokatu 8-10	3.31%	1,151,631.38	1,151,631.38
Bostadsaktiebolaget Semafor	2.60%	1,319,784.00	1,319,784.00
Total other real estate shares		11,874,791.68	7,196,948.22
Shares in real estate investments, Sweden			
Stadsrum Fastigheter AB	98.00%	12,595,658.31	12,484,062.95
Total real estate shares		1,968,885,302.68	1,917,483,951.69
Other real estate investments			
Holdings in real estate funds			
Exilion Real Estate I Ky	37.39%	71,680,249.00	64,305,617.00
Fosca II, SCA	27.03%	69,110,000.00	53,111,074.60
Capman Hotels Real Estate Ky	18.05%	58,995,243.00	56,394,116.96
Rockspring TransEuropean V	14.17%	55,700,000.00	42,374,663.00
Rockspring UK Value 2, L.P.	14.62%	45,811,989.10	45,623,115.90
Aberdeen Property Finland I Ky	26.60%	32,729,420.00	39,499,999.99
Ares European IV	8.35%	31,449,118.00	30,894,151.00
Sierra Portugal Fund	16.67%	30,872,840.00	46,144,419.00
Franklin Templeton Asian Real Estate Fund	19.58%	27,091,865.85	23,063,225.19
AXA DV III	6.75%	23,120,120.63	19,787,825.24
AXA European Logistics	22.08%	21,957,036.33	34,141,353.48
EPI HealthCare I Ky	27.50%	20,034,331.00	16,500,000.00
Aberdeen Asia III	38.14%	19,518,656.20	16,874,135.62
Grosvenor French Retail Investments S.A	6.33%	16,724,062.00	13,472,470.00
CapMan RE II	13.33%	16,633,463.00	13,962,018.83
AIPP Asia Select	30.00%	13,900,834.94	10,588,305.06
EPI Russia I Ky	27.16%	13,122,821.00	38,383,701.19
Franklin Templeton European Real Estate Fund	19.09%	9,607,261.62	29,131,415.65
UBS (Lux) Euro Value Added Real Estate Fund	7.61%	5,400,000.00	12,025,200.00
		583,459,311.67	606,276,807.71
Other investments in real estate funds		148,798,039.84	153,181,670.05
Total holdings in real estate funds		732,257,351.51	759,458,477.76

Other real estate investments, capital loans			
Kiinteistö Oy Kluuvin Pysäköinti	10.10%	1,509,989.47	1,509,989.47
Stadsrum Fastigheter AB	98.00%	29,352,543.66	29,092,313.17
		30,862,533.13	30,602,302.64
Total other real estate investments		763,119,884.64	790,060,780.40
Total real estate investments		2,735,505,187.32	2,711,044,732.09
Total real estate and shares in real estate		2,775,844,751.01	2,751,384,295.78

6.11 Major shareholdings ²¹⁾

31 Dec 2015	Number of shares	Book value, i.e. fair value €	Acquisition cost €
Company name			
Amer Sports Corporation	5,277,261	142,327,729.17	70,400,275.30
UPM-Kymmene Corporation	4,461,749	76,875,935.27	46,918,908.93
Sampo plc	1,632,993	76,750,671.00	29,061,710.44
Kone Corporation	1,929,201	75,566,803.17	33,556,396.76
Nokia Corporation	9,454,071	62,349,598.25	32,942,064.85
Novartis AG	763,243	61,143,970.84	30,376,712.97
Huhtamaki Oyj	1,543,000	51,690,500.00	31,758,675.72
Roche Holding AG	200,953	51,264,629.16	27,213 722.77
Wartsila Corporation	1,107,327	46,673,833.05	26,620,711.28
Nordea Bank AB	4,594,611	46,607,093.51	35,994,211.61
Swedish Match AB	1,409,469	46,044,136.66	36,818,592.91
SABMiller PLC	809,154	44,864,802.82	35,497,486.91
Stora Enso OYJ	5,251,101	44,056,737.39	33,848,714.02
Royal Dutch Shell PLC	2,096,694	43,766,871.69	56,634,105.57
Nestle SA	581,177	39,987,766.82	20,375,483.09
Fortum Corporation	2,629,374	36,600,886.08	53,505,157.00
HSBC Holdings PLC	5,006,603	36,576,613.24	41,950,910.96
Finnair OYJ	6,200,875	33,608,742.50	18,692,617.05
Metso OYJ	1,527,810	31,625,667.00	34,654,977.61
Novo Nordisk A/S	545,865	29,251,388.73	5,552,816.23
Mead Johnson Nutrition Co	394,131	28,581,466.38	24,362,773.26
Prudential PLC	1,361,720	28,405,113.70	19,101,764.08
Total SA	683,834	28,218,410.01	30,449,497.75
Bayer AG	236,742	27,414,723.60	20,584,119.86
Sanofi	345,820	27,181,452.00	18,134,265.81
Salvatore Ferragamo Italia SpA	1,227,386	26,695,645.50	27,564,745.31
Remy Cointreau SA	397,471	26,237,060.71	29,153,165.94
GlaxoSmithKline PLC	1,400,479	26,198,755.60	27,989,046.97
Beiersdorf AG	279,256	23,502,184.96	17,910,316.75
Daimler AG	297,995	23,118,452.10	12,385,154.95
Vodafone Group PLC	7,520,676	22,645,539.83	24,956,324.70
AstraZeneca PLC	353,834	22,255,939.25	13,212,227.35
Davide Campari-Milano SpA	2,710,570	21,684,560.00	15,957,208.71
Siemens AG	237,789	21,372,475.32	19,269,995.20
SAP AG	275,407	20,209,365.66	13,317,204.11
Orion Corporation	612,336	19,576,381.92	9,999,848.98
St James's Place PLC	1,338,400	18,381,459.23	18,559,356.28
BASF SE	258,751	18,298,870.72	17,692,084.69
British American Tobacco PLC	347,119	17,834,808.22	7,679,140.47
Anheuser-Busch InBev NV	152,195	17,411,108.00	5,710,005.36
Lloyds Banking Group PLC	16,650,747	16,577,015.92	17,249,965.88
BG Group PLC	1,211,606	16,260,397.98	15,861,038.59
BP PLC	3,368,058	16,244,874.07	22,981,884.96
UBS Group AG	898,863	16,193,637.07	14,820,377.92
Cargotec Corporation	466,910	16,108,395.00	14,041,410.09
ING Groep NV	1,261,144	15,701,242.80	11,963,148.22
Barclays PLC	5,172,762	15,427,721.26	20,811,232.03
Banco Santander SA	3,355,240	15,293,183.92	25,048,652.69
BT Group PLC	2,347,729	15,088,545.12	7,069,526.59
BNP Paribas SA	288,363	15,061,199.49	15,056,415.73
Renault SA	158,655	14,696,212.65	5,630,605.32
Deutsche Telekom AG	880,421	14,694,226.49	8,689,123.99
Verkkokauppa.com Oyj	2,038,000	14,673,600.00	10,265,515.05
National Grid PLC	1,124,980	14,369,762.93	8,600,486.49
Bayerische Motoren Werke AG	145,113	13,964,393.61	11,428,352.56
Allianz SE	85,173	13,930,044.15	6,512,446.87

Amadeus IT Holding SA	341,145	13,879,484.33	5,739,631.49
Konecranes Corporation	598,542	13,706,611.80	14,074,002.06
Intesa Sanpaolo SpA	4,371,980	13,456,269.20	12,669,780.09
Valmet Corporation	1,502,166	13,369,277.40	10,330,143.03
Telefonica SA	1,261,551	12,911,974.49	18,221,957.02
Unilever NV	320,802	12,865,764.21	6,942,550.46
Koninklijke Philips Electronic	541,691	12,762,239.96	12,033,093.05
Banco Bilbao Vizcaya Argentari	1,730,299	11,660,484.96	13,528,599.71
Diageo PLC	456,348	11,543,157.74	5,712,154.61
Deutsche Post AG	440,070	11,422,016.85	10,503,739.10
Danske Bank A/S	450,594	11,182,430.90	8,256,179.51
Legrand SA	214,090	11,175,498.00	9,790,940.66
Shire PLC	174,374	11,161,646.60	3,351,437.80
Societe Generale SA	259,110	11,030,312.70	10,697,993.92
UniCredit SpA	2,077,165	10,666,242.28	11,849,075.91
Reckitt Benckiser Group PLC	124,517	10,655,920.39	4,669,797.20
ASML Holding NV	128,801	10,632,522.55	3,909,683.70
ENI SpA	769,270	10,615,926.00	13,554,642.74
Credit Suisse Group AG	529,586	10,601,495.47	12,733,851.26
Atlas Copco AB	470,486	10,563,998.59	8,055,128.57
Iberdrola SA	1,588,563	10,405,087.65	5,646,367.27
France Telecom SA	671,087	10,391,782.20	9,244,382.73
Autoliv Inc	86,700	10,123,412.59	10,010,031.18
Syngenta AG	27,904	10,103,128.01	4,567,995.24
Unilever PLC	229,153	9,137,083.65	4,041,027.92
Vinci SA	153,924	9,103,065.36	7,837,008.75
AXA SA	360,172	9,087,139.56	5,374,547.74
Imperial Tobacco Group PLC	182,638	8,924,738.57	3,731,521.59
Brenntag AG	179,489	8,665,728.92	10,164,264.22
Asiakastieto Group Plc	569,222	8,526,945.56	8,381,254.63
Deutsche Bank AG	370,239	8,339,633.48	11,021,712.94
Skechers USA Inc	300,000	8,324,607.33	7,378,130.32
Ocado Group PLC	2,000,000	8,286,668.03	10,280,512.42
Outotec OYJ	2,425,120	8,245,408.00	19,913,605.05
Telefonaktiebolaget LM Ericsson	896,839	8,031,976.68	7,580,344.86
Assa Abloy AB	411,735	7,975,279.40	3,738,538.18
Akzo Nobel NV	128,722	7,939,572.96	7,162,531.87
Volvo AB	921,680	7,933,498.88	9,291,673.76
BHP Billiton PLC	750,842	7,774,915.46	11,634,897.32
Atlantia SpA	314,956	7,716,422.00	7,323,798.43
Enel SpA	1,957,192	7,617,391.26	7,879,775.51
LVMH Moet Hennessy Vuitton SE	51,466	7,457,423.40	4,980,910.19
Fresenius SE & Co KGaA	111,128	7,331,114.16	2,886,952.58
Engie	444,922	7,263,351.65	14,548,635.88
LOreal SA	45,532	7,071,119.60	3,637,821.82
Danone	112,460	7,004,008.80	4,676,891.70
Gjensidige Forsikring ASA	470,000	6,954,805.79	6,482,322.93
Zurich Financial Services AG	28,439	6,782,314.35	5,154,922.32
Air Liquide SA	64,965	6,733,622.25	2,730,024.25
Linde AG	50,100	6,708,390.00	6,957,360.16
Standard Chartered PLC	860,899	6,612,013.98	11,143,117.91
Cie Financiere Richemont SA	99,006	6,588,216.52	2,807,789.52
CRH PLC	245,339	6,550,551.30	5,336,356.83
Cie Generale d'Optique Essilor	56,705	6,523,910.25	2,347,844.61
Glencore PLC	5,274,608	6,502,439.29	15,949,519.18
Inditex SA	204,594	6,483,583.86	1,110,893.84
KBC Groep NV	110,728	6,385,683.76	3,572,611.48
ABB Ltd	365,622	6,060,517.88	3,954,065.02
ARM Holdings PLC	417,171	5,905,588.51	1,334,128.75
Scottish & Southern Energy PLC	281,542	5,861,382.60	4,019,357.85
Swedbank AB	287,776	5,859,175.10	6,328,850.30
Swiss Re AG	64,667	5,857,928.98	2,423,858.95

Schneider Electric SE	109,943	5,778,604.08	2,524,375.18
Hennes & Mauritz AB	175,730	5,777,031.72	6,462,218.70
AIA Group Ltd	1,000,000	5,522,897.51	4,696,100.54
Wolseley PLC	108,347	5,448,719.63	4,265,828.36
E.ON AG	588,189	5,253,115.96	9,460,309.73
Muenchener Rueckversicherungs	28,435	5,247,679.25	4,252,454.25
Aviva PLC	734,152	5,161,420.15	6,912,497.63
WPP PLC	242,086	5,155,397.75	1,505,684.18
Compass Group PLC	319,683	5,117,889.84	1,224,461.10
Royal Bank of Scotland Group P	1,235,276	5,082,817.80	5,854,546.19
Fresenius Medical Care AG & Co	62,019	4,820,736.87	2,259,616.60
Volkswagen AG	34,431	4,664,782.50	5,812,607.81
Skandinaviska Enskilda Banken	478,692	4,656,952.48	4,664,632.06
Kemira OYJ	426,482	4,640,124.16	3,975,294.59
Ferrovial SA	222,245	4,634,919.48	3,018,474.78
Deutsche Boerse AG	56,489	4,597,639.71	2,424,648.32
YIT Corporation	870,717	4,558,203.50	8,986,581.71
Investor AB	133,601	4,544,716.54	2,005,528.45
Centrica PLC	1,500,679	4,459,405.82	5,501,473.27
Telecom Italia SpA	3,983,827	4,420,339.35	3,819,273.57
Assicurazioni Generali SpA	258,860	4,379,911.20	4,585,535.61
Smith & Nephew PLC	265,471	4,369,357.15	2,084,853.13
Infineon Technologies AG	321,753	4,345,274.27	2,273,947.85
Continental AG	18,999	4,266,225.45	1,755,178.29
Boliden AB	272,569	4,238,545.09	4,313,600.19
Vivendi SA	211,651	4,203,388.86	4,463,278.86
		2,469,502,599.64	1,882,708,222.33
Other		425,652,704.88	363,050,904.76
Total		2,895,155,304.52	2,245,759,127.09

6.12 Equity funds ²²⁾

31 Dec 2015	Book value, i.e. fair value €	Acquisition cost €
Relational Investors XV L.P Fund	633,783.83	397,518.27

6.13 Fund units ²³⁾

31 Dec 2015	Book value, i.e. fair value €	Acquisition cost €
Mercer Investment Fund 1	10,537,658,380.20	11,201,919,132.98
Mercer Investment Fund 2	6,935,911,668.31	5,741,397,465.11
ML UCITS Platform Sub-Fund – KA3	102,576,964.65	106,213,788.06
	17,576,147,013.16	17,049,530,386.15

The share of fair value of balanced funds classified as fixed-income investments based on yield totals €4,696,883,867.00.

6.14 Major private equity investments ²⁴⁾

Major private equity investments

31 Dec 2015	Book value, i.e. fair value, €	Acquisition cost, €
Keva Investments Ky	312,036,457.24	217,520,442.34
KCEAF I	100,955,501.06	74,300,244.01
Warburg Pincus Private Equity XI L.P.	85,315,641.59	61,857,858.76
Advent International GPE VII L.P.	84,840,732.00	68,291,363.00
Advent International GPE-VI	68,396,880.00	37,535,821.00
Crown Opportunities KY	66,363,136.00	24,019,801.00
EQT VI L.P.	64,401,331.57	51,768,341.31
Crown Global Secondaries III Plc	59,778,657.11	36,885,534.78
ACE II	58,293,915.68	48,983,743.12
Pine Brook II	57,328,075.69	54,098,132.70
SAIF Partners III, L.P.	52,567,727.56	20,081,698.39
Crescent Mezzanine VI L.P.	52,384,354.74	42,845,065.44
Montagu IV, L.P.	46,119,884.00	42,472,304.17
MBK III	44,148,594.65	32,419,961.75
Cinven V	42,595,541.00	36,971,173.83
Wynnchurch Capital III L.P.	42,179,399.28	22,439,117.15
EQT Infrastructure II	41,423,407.00	36,109,326.70
ASF Peak Co-investment	39,583,882.61	28,451,068.35
Lindsay Goldberg III	39,426,839.35	36,966,555.49
Keva Investments III L.P.	36,730,518.97	31,554,251.48
Energy Capital II	36,001,561.50	6,053,089.70
CAP IV, L.P.	35,680,169.01	42,281,943.16
Bridgepoint Europe IV A	34,461,999.00	26,551,875.99
Polish Enterprise Fund VI	34,418,798.92	23,709,856.59
Carlyle Partners VI L.P.	33,341,912.37	36,322,828.19
Intera Fund II Ky	32,374,392.00	22,407,267.30
Bowmark IV	31,777,106.27	23,696,855.23
Hitec Vision VI L.P.	30,934,679.26	27,804,621.45
Nordic Mezzanine Fund III	26,838,141.00	18,550,274.78
Resolute Fund III	25,487,017.54	21,002,062.27
Hermes GPE GSF	25,047,147.14	17,927,614.53
EQT Yellow Maple CI	25,000,000.00	25,000,000.00
Energy Capital III	24,628,297.05	24,868,079.10
Altor Fund III L.P.	24,325,106.59	22,372,213.80
MBKP 2015-3	22,963,167.08	22,007,042.25
Innova 5 L.P.	22,902,077.44	21,699,277.28
Lexington Capital Partners VIII	21,873,185.46	16,849,003.44
Activa Capital Fund II FCPR	20,987,000.00	27,634,878.73
Hitec Vision V L.P.	20,216,784.15	24,277,791.21
Triton Fund III	17,214,548.33	32,927,625.00
HitecVision Asset Solutions	16,785,197.99	16,030,078.22
Affinity Asia Pacific Fund III, L.P.	16,317,161.75	20,120,255.26
Hermes GPE GSF Secondary	15,799,544.96	12,807,131.62
Centerbridge III L.P.	15,309,912.74	14,866,643.55

MB Equity Fund IV KY	13,794,424.00	9,855 677.99
Kasvurahastojen Rahasto Ky	13,331,715.70	10,919 836.73
Mid Europa Fund III. L.P.	12,621,908.02	12,507 594.74
HitecVision VII, L.P.	12,325,731.60	14,087 849.96
Baring Vostok PE Fund IV, L.P.	10,618,801.32	14,250 017.10
Warburg Pincus Private Equity VIII	10,320,997.52	4,894 083.62
TPG Partners IV L.P.	10,320,281.99	14,345 024.08
Bowmark V	10,171,307.90	11,428 523.30
Sponsor Fund III KY	10,155,000.00	15,836 719.24
Wynnchurch Capital II L.P.	8,478,326.44	10,839 903.79
Lindsay Goldberg IV	7,777,002.85	7,803 839.93
ALTR FUND IV	7,688,121.07	8,478 805.11
WLR Recovery Fund IV	7,280,626.44	14,116 906.83
Sponsor Fund IV Ky	6,527,000.00	7,149 572.26
Intera Fund I Ky	5,991,965.00	10,442 408.15
Activa Capital Fund III FCPR	5,840,000.00	7,840 000.00
	2,158,798,594.50	1,728,136,876.25
Other private equity investments	130,087,566.99	300,020,985.16
Total private equity investments	2,288,886,161.49	2,028,157,861.41

Investments in unlisted companies

31 Dec 2015	Book value, i.e. fair value, €	Acquisition cost, €
Suomi Power Networks SHL 8,17 %	129,648,295.79	129,648,295.79
Suomi Power Networks TopCo B.V.	78,269,791.85	21,462,950.06
Other investments	172,674.00	3,396,648.00
Total unlisted	208,090,761.64	154,507,893.85
Total private equity investments	2,496,976,923.13	2,182,665,755.26

6.15 Hedge funds ²⁵⁾

31 Dec 2015	Book value, i.e. fair value, €	Acquisition cost, €
OZ Overseas Fund II	356,254,471.47	214,370,096.81
King Street A Series 1	302,257,353.92	218,053,503.73
Atlas Institutional Fund II	300,841,244.01	195,546,335.67
Blue Mountain Credit Alternatives Fund Ltd	265,303,836.39	207,530,429.72
GoldenTree Master Fund	264,587,329.35	203,967,653.54
Davidson Kempner International, Ltd - Class C	237,744,029.14	183,292,491.29
Mesirow Multimanager Fund II	232,992,755.99	152,374,431.27
Alyeska Fund	181,659,036.38	181,293,509.84
MKP Credit Offshore	127,872,274.53	102,597,178.54
Taconic Opportunity Offshore Fund	114,744,944.05	88,450,062.23
AllBlue Class A	97,113,951.76	74,999,999.98
York European Distressed Credit Fund	90,046,009.28	77,497,964.77
York European Distressed Credit Fund II	81,044,657.12	81,737,169.98
Davidson Kempner Long-Term Distressed Opportunities International II	76,680,652.95	52,565,766.49
Nektar Fund	60,677,638.85	50,000,000.00
H.I.G Bayside Loan Opportunity Feeder Fund III	45,181,487.00	45,739,593.21
BlueBay Direct Lending Fund II SLP	29,863,430.93	29,776,889.03
Davidson Kempner Long-Term Distressed Opportunities International	27,705,817.08	11,361,362.20
Davidson Kempner Long-Term Distressed Opportunities International III	15,591,451.45	16,864,361.01
	2,908,162,371.65	2,188,018,799.31
Other	26,426,835.97	0.00
Total	2,934,589,207.62	2,188,018,799.31

6.16 Other shares and holdings in subsidiaries and associated companies ²⁶⁾

31 Dec 2015		Book value, i.e.	
Company name	Holding %	fair value	Acquisition cost
		€	€
Subsidiaries			
Kuntakehitys KE Oy	100.00%	2,522.82	2,522.82
Kuntakiinteistöt KE Oy	100.00%	2,522.82	2,522.82
Kuntasijoitus KE Oy ¹⁾	100.00%	8,409.40	8,409.40
		13,455.04	13,455.04
Shares in associated companies			
Municipal finance Plc ²⁾	30.66%	200,395,996.67	24,595,829.37
Exilion Capital Oy ³⁾	25.50%	33,628.20	33,628.20
		200,429,624.87	24,629,457.57
Total		200,443,079.91	24,642,912.61

¹⁾ Operates as the general partner in Keva Investments Ky and investments made through the latter are shown under private equity funds. Keva Investments Ky owns a share in two United States private equity funds, the book value, i.e. fair value of which are €239,812,506.66 and €72,223,950.58 and the acquisition costs of which were €139,583,850.57 and €77,936,591.77 respectively.

²⁾ The equity according to the consolidated financial statements for 2015 is €1,043,314,000. ^{*)} The profit for the period is €121,494,000. ^{*)}

^{*)} Proposal to the Annual General Meeting of Municipal Finance Plc to be held on 22 March 2016.

³⁾ The equity according to the financial statements for 2015 is €183,531.10. The profit for the period is €18,765.11.

6.17 Major bond holdings by issuer ²⁷⁾

31 Dec 2015	Book value, i.e. fair value	Acquisition cost
Issuer	€	€
German Government	2,366,100,453.43	2,384,607,750.55
French Government	1,313,380,640.41	1,323,758,765.51
United States	472,468,825.53	465,825,016.40
Belgian Government	397,020,102.45	385,769,600.00
Finnish Government	342,023,017.76	333,553,788.23
Polish Government	120,053,424.65	109,593,750.00
Credit Suisse international	106,809,663.90	104,797,350.00
Sparebanken Vest	106,480,123.69	110,378,121.54
Nykredit Bank A/S	81,464,169.94	79,907,600.00
Jubilee CLO B.V.	79,374,455.81	83,749,000.00
Cie Financement Foncier	72,587,739.48	65,267,000.00
DNB Boligkredit AS	69,534,074.04	66,362,250.00
Dutch Government	64,348,835.62	61,624,999.99
German Postal Pensions	61,524,381.94	49,524,000.00
Caisse Francaise de Financement Local	56,158,267.12	49,514,000.00
Svenska Handelsbanken AB	54,687,601.97	52,225,443.02
Terra Boligkredit AS	54,346,554.80	49,791,000.00
Municipal Finance Plc	52,308,737.70	50,000,000.00
Allied Irish Banks PLC	51,639,343.58	51,143,800.00
The Royal Bank of Scotland Plc	49,672,397.24	49,631,250.00
Bank of Ireland	48,064,080.06	46,873,080.00
Babson Euro CLO B.V.	48,053,990.94	48,629,000.00
Citycon Corporation	47,555,422.13	44,837,010.00
Deutsche Annington Finance	47,547,690.30	45,277,830.00
Credit Mutuel-CIC Home Loan Group	47,232,802.87	44,991,000.00
Suomen Hypoteekkiyhdistys	46,159,091.39	46,028,240.00
Dryden 35 Euro CLO B.V.	45,902,968.47	48,269,500.00
Stockholms läns landsting	44,195,612.02	39,793,600.00
Nationwide Building Society	42,938,568.27	34,883,500.00
HSBC France	42,635,257.67	39,342,725.00
ABN Amro Bank NV	42,402,328.17	41,986,200.00
TVO Teollisuuden voima	42,375,475.07	45,832,620.00
Neste Oil Corporation	42,338,575.11	41,736,568.55
Leaseplan Corporation NV	42,237,876.47	41,119,700.00
Credit Mutuel Arkea	41,623,830.33	34,848,100.00
Nordea Bank AB	41,244,338.76	38,182,157.61
Skandinaviska Enskilda Banken AB	40,889,058.00	38,421,779.12
AIB Mortgage Bank	37,471,209.43	35,420,000.00
Dartry Park CLO Limited	37,177,310.61	39,205,000.00
SLM Student Loan	36,387,227.22	38,000,000.00
ALD International	35,732,312.84	34,901,300.00
AT&T Inc	33,948,934.97	33,902,760.00
Metsä Board Corporation	33,754,767.25	32,802,275.00
	6,939,851,539.41	6,862,308,430.52
Other	2,915,633,319.13	2,435,766,089.64
Total	9,855,484,858.54	9,298,074,520.16

6.18 Fixed-income funds²⁸⁾

31 Dec 2015	Book value, i.e. fair value €	Acquisition cost €
Pimco Distressed Senior Credit Opportunities Fund (DISCO) II	432,971,853.71	236,944,778.45
Pimco Bravo II	218,333,792.65	173,946,983.01
Pimco Bravo	77,156,241.34	44,719,591.22
Sparinvest Nordic High Yield Value Bonds A	5,881,841.92	8,288,522.09
BlueBay High Yield Institutional Credit Select Fund	3,676,595.05	3,655,033.94
	738,020,324.67	467,554,908.71

6.19 Foreign currency funds²⁹⁾

31.12.2015	Book value, i.e. fair value €	Acquisition cost €
IPM Global Currency Fund	91,903,267.31	50,298,999.74
	91,903,267.31	50,298,999.74

7 Other notes to the financial statements

7.1 Derivative contracts

	31 Dec 2015	31 Dec 2014
Equity derivatives		
Forward and future contracts		
Value of underlying instruments	-448,064,274	-82 097 318
Positive fair value	0	2,281,310
Negative fair value	-7,572,297	-5,645,326
Total net	-7,572,297	-3,364,016
Option contracts		
Value of underlying instruments	8,093,330	16,130,198
Positive fair value	2,932,457	2,309,200
Negative fair value	-4,713,971	0
Total net	-1,781,515	2,309,200
Other equity derivatives		
Value of underlying instruments	705,252,116	866,269,989
Positive fair value	3,842,913	18,848,794
Negative fair value	-8,626,478	0
Total net	-4,783,565	18,848,794
Interest rate derivatives		
Forward and future contracts		
Value of underlying instruments	5,431,899,706	-1,037,400,000
Positive fair value	0	14,852,160
Negative fair value	-21,748,277	-35,190,280
Total net	-21,748,277	-20,338,120
Option contracts		
Value of underlying instruments	-3,388,974,310	1,363,655,383
Positive fair value	157,434,763	33,115,442
Negative fair value	-14,243,884	-16,481,212
Total net	143,190,880	16,634,230
Interest rate swaps		
Value of underlying instruments	-9,844,769	0
Positive fair value	176,212,353	130,627,731
Negative fair value	-97,558,728	-58,885,055
Total net	78,653,625	71,742,676
Credit risk swaps		
Value of underlying instruments	439,263,342	391,827,691
Positive fair value	0	0
Negative fair value	-86,951	-226,058
Total net	-86,951	-226,058

Currency derivatives**Forward contracts**

Value of underlying instruments	8,109,648,704	6,509,981,606
Positive fair value	63,747,299	15,192,449
Negative fair value	-54,872,069	-172,269,945
Total net	8,875,230	-157,077,496

Option contracts**Purchased**

Value of underlying instruments	-37,727,642	-108,450,187
Positive fair value	19,024,954	23,351,924
Negative fair value	-50,176	0
Total net	18,974,779	23,351,924

Option contracts**Written**

Value of underlying instruments	100,587,704	295,423,221
Positive fair value	81,649	0
Negative fair value	-5,484,337	-15,458,839
Total net	-5,402,688	-15,458,839

Commodity derivatives

Value of underlying instruments	0	33,788,338
Positive fair value	0	0
Negative fair value	0	-21,089,093
Total net	0	-21,089,093

7.2 Liabilities

	31 Dec 2015	31 Dec 2014
	€	€
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 30 days in 2015.</p>		
Equities		
Fair value	382,069,330.40	504,876,071.43
Bonds		
Fair value	3,468,313,911.08	4,071,768,671.86
Investment commitments,		
Binding contracts that have not yet been drawn but to which a commitment has been made through valid contracts		
Private equity funds	2,405,295,748.00	1,659,490,590.00
Silent partner's private equity investment	162,882,061.00	170,547,936.00
Loans not taken up and offers given	320,000.00	11,460,000.00
Real estate investment funds	377,554,010.00	249,465,603.00
Real estate investments in subsidiaries and associated companies	53,544,920.00	35,050,683.00
Rental liabilities		
Under 1 year	1,151,556.24	1,151,556.24
1-5 years	4,414,298.92	6,005,454.76
Other liabilities	315,941.25	179,330.54
Collateral given on own behalf		
Collateral for derivatives transactions *)		
Financial contribution	95,359,231.32	245,356,467.11
Cash collateral	21,298,562.13	86,991,646.85

*) Revision of reference year.

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

The estimate of the present value of the benefits accrued under the local government pension system 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 2012, which has been continued from 2060 onwards with the assumption that the mortality decrease rate will be reduced by half. For those on disability pension, the mortality rate used is based on estimates by the Finnish Centre for Pensions. Unlike previous years, the present value of benefits accrued under the local government pension system includes an estimate of the share of the local government pension system of the costs of pension expenditure for unpaid periods in the whole earnings-based pension system, whereas earlier the figure only took into account the unpaid periods accumulating in the local government 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 2013 as well as payroll and pension expenditure information from 2014 and 2015. With regard to unpaid periods, the calculation is based on the forecast of pension expenditure accrued on the basis of unpaid periods by the end of 2014 and the forecast of the development of earnings per earnings-related pension act obtained from the Finnish Centre for Pensions. The calculation is based on the legislation in force at any given time, which means that the changes arising as a result of the pension reform in 2017 have been included.

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 2015 has had to be estimated on the basis of the forecasts of the 2015 unemployment insurance contributions. Changes in the information base and the calculation premises, especially interest and mortality factors, can alter the assessment of the present value of the accrued benefits significantly. Although care has been taken in choosing the premises and drawing up the calculation, the final calculation result should always be considered as being mostly indicative.

Present value of benefits	31 Dec 2015	31 Dec 2014
	€	€
	105,000,000,000.00	102,000,000,000.00

7.4 Key indicators

	2015	2014	2013	2012	2011
Local government payroll, €m	16,820	16,670	16,528	16,121	15,376
Local government contribution income, €m	5,013	4,971	4,890	4,696	4,406
Number of insured local government employees at 31 Dec *)	522,000	523,000	523,000	521,000	515,000
Number of local government pension recipients at 31 Dec	377,000	373,000	367,000	354,000	349,000
Local government pensions paid, €m	4,559	4,361	4,141	3,826	3,541
Investments at fair value, €m	44,214	41,548	37,819	34,359	29,568
Return on investments at fair value, %	4.8%	8.7%	7.5%	12.9%	-1.7%
Annual real return on investments since funding started in 1988	4.0%	4.0%	3.8%	3.7%	3.2%
Operating costs, €m	81.5	94.2	94.6	89.8	82.4
Permanent personnel at 31 Dec	530	534	537	519	524
Number of State pension recipients at 31 Dec	263,000	270,000	274,000	272,000	275,000
State pensions paid, €m **)	4,440	4,352	4,226	3,834	3,656
Number of Ev-Luth. Church pension recipients at 31 Dec	18,400	18,400	18,100	17,300	
Ev-Luth. Church pensions paid, €m **)	180	176	166	170	
Number of Soc. Ins. Institution Kela pension recipients at 31 Dec	5,900	5,900	5,900	5,800	
Soc. Ins. Institution Kela pensions paid €m **)	93	91	86	82	

*) Revised retrospectively due to change in data source.

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

7.5 Investment allocation (fair value)

	2015		2014		2013		2012		2011	
	€m	%	€m	%	€m	%	€m	%	€m	%
Loan receivables	455.9	1.1%	535.9	1.3%	622.1	1.7%	709.4	2.1%	832.7	2.9%
Bonds	15,382.3	37.5%	15,618.9	37.7%	13,935.3	38.2%	13,809.4	41.2%	11,516.0	39.7%
Short-term investments	750.1	1.8%	503.6	1.2%	966.4	2.6%	652.6	1.9%	971.5	3.3%
Equities and equity funds	15,775.1	38.5%	17,080.5	41.3%	14,791.3	40.5%	12,981.2	38.7%	11,229.1	38.7%
Private equity and hedge funds and commodity investments.	5,632.0	13.7%	4,781.6	11.6%	3,374.2	9.2%	2,624.1	7.8%	2,044.9	7.0%
Real estate	2,994.3	7.3%	2,865.6	6.9%	2,813.9	7.7%	2,751.6	8.2%	2,449.9	8.4%
Total investments	40,989.7	100.0%	41,386.2	100.0%	36,503.1	100.0%	33,528.3	100.0%	29,044.1	100.0%
Accumulated interest	108.9		139.4		143.6		134.8		145.2	
Other items	3,115.5		22.0		1,172.7		696.1		379.1	
Investments used in calculation of return	44,214.1		41,547.7		37,819.4		34,359.2		29,568.4	

7.6 Net investment income on capital employed (fair value)

	Net investment income market value			Return on capital employed		Return on capital employed	
	€m	€m	%	%	%	%	%
	2015			2014	2013	2012	2011
Total fixed income investments	68.2	19,209.2	0.4%	4.9%	0.4%	11.5%	3.5%
Loan receivables	4.5	509.2	0.9%	1.0%	1.1%	2.3%	2.3%
Bonds	43.3	15,037.4	0.3%	5.8%	0.4%	13.4%	3.7%
Other money market instruments and deposits	20.4	3,662.6	0.6%	0.2%	0.2%	0.5%	1.5%
Total equity investments	1,775.5	17,394.6	10.2%	13.7%	16.5%	16.5%	-7.7%
Listed equities	1,296.9	14,901.4	8.7%	12.5%	16.6%	17.2%	-10.0%
Private equity investments	366.9	2,188.0	16.8%	22.4%	14.4%	10.0%	13.9%
Unlisted equities	111.7	305.1	36.6%	30.0%	50.7%	41.7%	60.5%
Total real estate investments	224.6	2,768.3	8.1%	5.6%	3.6%	4.7%	5.9%
Direct real estate investments	126.7	2,127.2	6.0%	3.9%	3.1%	4.9%	6.1%
Real estate investment funds and co-investments	98.0	641.1	15.3%	11.1%	5.0%	4.0%	5.3%
Other investments	-35.4	2,838.5	-1.2%	3.3%	9.1%	9.0%	-2.1%
Hedge funds	29.0	2,624.2	1.1%	6.2%	11.8%	10.4%	-0.5%
Commodity investments	-64.4	214.3	-30.1%	-36.0%	-3.6%	5.2%	-6.1%
Total investments	2,032.9	42,210.6	4.8%	8.7%	7.6%	13.0%	-1.6%
Income, expenses and operating expenses not allocated to investment types	-2.7		0.0%	-0.1%	-0.1%	-0.1%	-0.1%
Net investment income at fair value	2,030.2	42,210.6	4.8%	8.7%	7.5%	12.9%	-1.7%

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

7.7 Return on investment assets and risk figures *)

	Market-value		Distribution		Return	Risk	
	€m	%	By risk €m	%		Volatility	Mod.duration
Fixed-income investments	19,895.1	45.0%	22,254.2	50.3%	0.4%		
Loan receivables	457.1	1.0%	457.1	1.0%	0.9%		
Bonds	15,316.8	34.6%	17,356.0	39.3%	0.3%	3.4%	7.4
<i>Public sector bonds</i>	6,330.7	14.3%	7,932.3	17.9%	1.2%		
<i>Other bonds</i>	8,986.1	20.3%	9,423.7	21.3%	-0.4%		
Other money market instruments and deposits	4,121.1	9.3%	4,441.1	10.0%	0.6%		
Equity investments	18,431.9	41.7%	18,712.2	42.3%	10.2%		
Listed equities	15,737.6	35.6%	16,017.9	36.2%	8.7%	12.3%	
Private equity investments	2,283.0	5.2%	2,283.0	5.2%	16.8%		
Unlisted equities	411.2	0.9%	411.2	0.9%	36.6%		
Real estate investments	2,953.6	6.7%	2,953.6	6.7%	8.1%		
Direct real estate investments	2,221.4	5.0%	2,221.4	5.0%	6.0%		
Real estate investment funds	732.3	1.7%	732.3	1.7%	15.3%		
Other investments	2,933.5	6.6%	2,933.5	6.6%	-1.2%		
Hedge funds	2,933.5	6.6%	2,933.5	6.6%	1.1%	3.0%	
Commodity investments	0.0	0.0%	0.0	0.0%	-30.1%		
Other investments	-	-	-	-	-		
Total investments			46,853.5	106.0%			
Effect of derivatives			-2,639.3	-6.0%			
Total investments**)	44,214.1	100%	44,214.1	100%	4.8%	6.0%	

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

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

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

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

Helsinki, 26 February 2016

Anna-Kaisa Ikonen

Markus Lohi

Heini Jalkanen

Raimo Vistbacka

Risto Kangas

Harri Virta

Sallamaari Muhonen

Rauno Vesivalo

Tapani Hellstén

9 Auditor's report

To Keva's Council

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Keva for the financial period 1 January to 31 December 2015. The financial statements comprise the balance sheet, income statement, cash flow statement and notes to the financial statements.

The responsibility of the Board of Directors and the CEO

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

Auditor's responsibility

It is our responsibility to express an opinion on the financial statements and the report of the Board of Directors on the basis of

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

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

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

Opinion

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

Helsinki, 25 February 2016

Ernst & Young Oy
Authorised Public Accounting Company

Harri Pärssinen
Authorised Public Accountant

The background is a solid teal color with several large, overlapping, curved shapes in a lighter shade of teal, creating a sense of depth and movement. These shapes are positioned in the upper and middle portions of the page, leaving the bottom portion clear for text.

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