

PUBLIC SECTOR pensions



FINANCIAL STATEMENTS
2020

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The English translation of Keva's financial statements complies with the Finnish convention with regard to writing figures. This means that in percentages commas rather than decimal points are used and that the separator between whole euros and eurocents is a decimal point.

PROFIT AND LOSS ACCOUNT 1 JAN – 31 DEC 2020

	2020		2019	
	EUR		EUR	
Contribution income				
Contributions from Keva member organisations ¹		5 251 659 863,71		5 127 288 851,75
Employment Fund contribution		202 435 633,58		128 260 297,42
Financial support		5 224 000,00		4 728 340,54
		5 459 319 497,29		5 260 277 489,71
Pension expenditure				
Keva member organisations' pensions ²		-5 710 301 986,98		-5 470 434 072,40
Adjustments to pension expenditure ³		17 749 982,35		15 686 684,60
Financial support		-5 117 420,70		-4 618 056,58
Rehabilitation		-30 117 193,84		-28 548 040,93
		-5 727 786 619,17		-5 487 913 485,31
NET INCOME FROM FINANCIAL OPERATIONS		-268 467 121,88		-227 635 995,60
Net investment income⁷		2 652 409 680,30		6 355 767 271,06
NET INCOME FROM FINANCIAL AND INVESTMENT OPERATIONS		2 383 942 558,42		6 128 131 275,46
Statutory net payments				
Statutory payments		-8 945 812,19		-8 992 341,14
Reimbursements received ¹⁰		2 279 975,94		2 307 716,81
		-6 665 836,25		-6 684 624,33
Net operating costs				
Operating costs				
Personnel expenses ^{8,9}		-40 954 418,63		-41 609 135,55
Other operating costs ⁹		-35 640 182,01		-40 609 477,41
		-76 594 600,64		-82 218 612,96
Depreciation⁹		-8 053 930,86		-7 140 779,64
Reimbursements received^{9,10}		16 768 520,57		18 524 533,38
Other income and expenses		103 691,49		-20 223,40
FUNDED RESULT		2 309 500 402,73		6 050 591 568,51
Decrease (+)/increase (-) in pension liability fund		-2 309 500 402,73		-6 050 591 568,51
RESULT		0,00		0,00

Numbers^{1,2,3} etc. refer to the corresponding notes to the financial statements.

BALANCE SHEET AT 31 DEC 2020

ASSETS	2020 EUR	2019 EUR
Intangible assets		
Intangible rights ¹²	27 669 970,21	31 538 037,18
Investments		
Real estate investments		
Real estate and shares in real estate ¹¹	3 608 873 124,73	3 430 567 241,81
Loans receivable from subsidiaries and associated companies ^{13, 19}	149 590 876,30	193 462 490,93
	3 758 464 001,03	3 624 029 732,74
Other investments		
Equities and shares ¹¹	40 552 888 039,17	38 569 238 009,00
Money market instruments ¹¹	9 323 277 384,76	10 954 812 353,60
Loans receivable ¹³	100 399 643,42	123 578 041,53
	49 976 565 067,35	49 647 628 404,13
Total investments ¹¹	53 735 029 068,38	53 271 658 136,87
Receivables		
Contribution income receivables	435 090 708,51	434 860 496,12
Receivables from subsidiaries and associated companies	10 646 541,26	8 810 929,15
Other receivables ¹⁴	234 460 455,60	128 590 266,71
	680 197 705,37	572 261 691,98
Other assets		
Machinery and equipment ¹²	3 851 858,92	4 670 963,04
Other ¹²	95 026,55	95 026,55
Cash in hand and at bank	4 663 958 108,15	3 189 273 905,80
	4 667 904 993,62	3 194 039 895,39
Accrued income and prepayments		
Prepayments ¹⁴	451 345 917,16	32 264 299,59
Accrued interest	56 708 187,29	77 614 360,11
Other accrued income ¹⁵	103 029 587,82	103 242 817,21
	611 083 692,27	213 121 476,91
TOTAL ASSETS	59 721 885 429,85	57 282 619 238,33

BALANCE SHEET AT 31 DEC 2020

LIABILITIES	2020 EUR	2019 EUR
Pension liability fund ¹⁶	58 853 454 582,03	56 543 954 179,30
Liabilities		
Liabilities to subsidiaries and associated companies ¹⁹	2 294 936,07	895 956,34
Other liabilities ¹⁷	542 296 551,67	502 578 387,49
	544 591 487,74	503 474 343,83
Accrued liabilities and deferred income		
Accrued liabilities ¹⁸	299 193 243,71	208 981 078,08
Deferred income	24 646 116,37	26 209 637,12
	323 839 360,08	235 190 715,20
TOTAL LIABILITIES	59 721 885 429,85	57 282 619 238,33

SOURCE AND APPLICATION OF FUNDS 2020

	2020 EUR	2019 EUR
Decrease/increase in pension liability fund	2 309 500 402,73	6 050 591 568,51
Adjustments:		
Valuation changes	-1 033 894 979,71	-4 398 115 517,40
Depreciation	8 053 930,86	7 140 779,64
Gains and losses on disposal	-688 229 057,66	-2 220 464 827,51
Cash flow before change in working capital	595 430 296,22	-560 847 996,76
Decrease (+)/increase(-) in receivables	-505 898 228,75	-77 918 445,82
Increase (+)/decrease (-) in liabilities	38 653 868,55	-227 032 538,13
Cash flow from business operations	128 185 936,02	-865 798 980,71
Assets bought (excl. cash assets)	-1 349 865 026,10	-753 279 711,19
Investments in intangible and tangible assets investments in other assets and proceeds from disposal	3 366 759,77	11 848 578,22
Cash flow from investments	-1 346 498 266,33	-741 431 132,97
Change in cash assets	1 474 684 202,35	-124 367 847,74
Cash in hand and at bank at 1 Jan	3 189 273 905,80	3 313 641 753,54
Cash in hand and at bank at 31 Dec	4 663 958 108,15	3 189 273 905,80
Change	1 474 684 202,35	-124 367 847,74

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 institution 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 an earnings-based pension contribution and a pension expenditure-based pension contribution. The earnings-based pension contribution comprises the earnings-based pension contribution collected from all employers and an employer-specific disability pension contribution. The earnings-based contribution is calculated and recognised in the financial statements on the basis of the earnings transferred to the system earnings system via the Incomes Register. The pension expenditure-based contribution is booked and collected in the amount specified in the Councillors' decision. The total earnings-based pension payment includes the employee pension contribution which is withheld by the employer.

Keva member organisations' 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 Kela, i.e. Social Insurance Institution of Finland Kela 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 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.

Also real estate investments are 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 fair value of real estate investments is valued mainly using the income capitalisation method for each property. External evaluators value individual properties at regular intervals and update the valuations annually. 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 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 transaction date or halfway through the transaction 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 IT assets begins during the financial year in which the investment was brought into use in operations or when income expecta-

tions 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 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 1245/2018. The Evangelical Lutheran Church and Social Insurance Institution of Finland Kela have been reimbursing Keva for the costs arising from the implementation of their pension systems in accordance with section 2 of Government Decree 183/2017. The amount of these payments has been calculated according to the absorption price as referred to in section 6 of the Act on Criteria for Charges Payable to

the State (150/1992). Keva has handled the statutory tasks related to the State pension insurance matters of State employers since the start of 2013 and since the start of 2017 has been statutorily responsible for collecting the pension contributions of the Evangelical Lutheran Church.

Reimbursements for these operating cost and depreciation expenses are shown on an accrual basis under 'Net operating expenses' in the profit and loss

account, which also includes minor reimbursements for payment services relating to the member organisations' supplementary pensions, for example. Reimbursement of statutory payments is shown under 'Statutory net payments'.

Pension coverage of Keva personnel

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

NOTES TO THE PROFIT AND LOSS ACCOUNT

Contributions from Keva member organisations ¹

Contribution type	2020 EUR	2019 EUR
Earnings-based contribution	4 510 751 042,68	4 422 098 730,09
Pension expenditure-based contribution	737 000 000,00	706 000 000,00
Total contributions from Keva member organisations for the year	5 247 751 042,68	5 128 098 730,09
Total adjustments in previous years	3 908 821,03	-809 878,34
Total contributions from Keva member organisations	5 251 659 863,71	5 127 288 851,75

Keva member organisations' pensions ²

Pension type	2020 EUR	2019 EUR
Old-age pension	4 939 442 736,96	4 700 661 182,28
Early old-age pension	127 758 180,41	129 709 289,97
Partial early old-age pension	44 954 588,01	37 363 090,85
Years of service pension	64 264,71	25 840,26
Disability pension	340 565 263,63	345 195 977,41
Individual early retirement pension	1 560,97	9 001,86
Unemployment pension	1 032,40	2 628,04
Survivors' pension	187 969 827,56	185 173 101,06
Part-time pension	2 297 171,16	8 080 114,70
Rehabilitation allowance	66 110 338,72	63 257 364,14
Rehabilitation increment	1 002 140,92	956 481,83
	5 710 167 105,45	5 470 434 072,40
Contributions payable to the State		
Compensation for transfer of EU pensions	134 881,53	0,00
Total	5 710 301 986,98	5 470 434 072,40

The pension expenditure of Keva member organisations includes 12 months of pensions paid.

Adjustments to pension expenditure ³

	2020 EUR	2019 EUR
Returned pensions	4 963 507,37	4 257 509,37
Other adjustments	12 786 474,98	11 429 175,23
Total	17 749 982,35	15 686 684,60

State pensions ⁴

	2020	2019
	EUR	EUR
Expenditure by pension type		
Old-age pension	3 903 500 672,78	3 836 179 631,05
Early old-age pension	107 955 685,24	110 614 092,14
Partial early old-age pension	16 645 085,07	14 236 551,80
Disability pension	85 454 567,85	90 567 526,09
Extraordinary pension	0,00	5 534,59
Part-time pension	1 216 424,26	3 385 923,65
Survivors' pension	300 413 469,98	303 011 066,03
Cash rehabilitation benefit	2 160 606,76	1 874 865,22
Rehabilitation increment	108 200,33	110 364,08
Rehabilitation allowance	11 273 872,44	10 680 642,37
Compensation for rehabilitation and expenses	238 682,09	273 212,16
Total expenditure	4 428 967 266,80	4 370 939 409,18
Payments and refunds of cost allocation (net)*	427 900 116,42	390 430 782,43
Total expenditure	4 856 867 383,22	4 761 370 191,61
Income		
Advance payments received	-4 885 117 479,00	-4 796 352 106,92
Refund/charge(+/-)	28 250 095,78	34 981 915,31
Total income	-4 856 867 383,22	-4 761 370 191,61
Impact on Keva's result	0,00	0,00

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

Evangelical Lutheran Church pensions ⁵

	2020 EUR	2019 EUR
Expenditure by pension type		
Old-age pension	224 010 033,96	214 484 744,15
Early old-age pension	8 151 770,97	8 219 574,45
Partial early old-age pension	1 616 787,66	1 459 314,78
Disability pension	10 227 514,40	10 157 325,64
Extraordinary pension	5 975,33	11 883,32
Part-time pension	58 129,33	204 515,62
Survivors' pension	9 854 108,30	9 723 615,16
Cash rehabilitation benefit	482 283,07	508 680,67
Rehabilitation increment	11 070,08	13 895,51
Rehabilitation allowance	2 433 591,12	2 207 537,07
Compensation for rehabilitation and expenses	63 216,51	113 662,53
Total expenditure	256 914 480,73	247 104 748,90
Payments and refunds of cost allocation (net)*	-39 925 730,22	-34 892 372,42
Total expenditure	216 988 750,51	212 212 376,48
Income		
Advance payments received	-218 785 744,92	-209 900 498,04
Refunds/charge (+/-)	1 796 994,41	-2 311 878,44
Total income	-216 988 750,51	-212 212 376,48
Impact on Keva's result	0,00	0,00

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

Pensions of Social Insurance Institution Kela employees ⁶

	2020 EUR	2019 EUR
Expenditure by pension type		
Old-age pension	97 539 891,74	94 455 180,81
Early old-age pension	4 861 806,29	4 932 822,78
Partial earlyold-age pension	845 415,78	704 377,94
Disability pension	4 253 092,55	4 162 408,33
Part time pension	143 102,87	268 271,80
Survivors' pension	2 919 483,76	2 772 691,76
Cash rehabilitation benefit	109 598,88	86 241,13
Rehabilitation increment	13 823,88	8 786,71
Rehabilitation allowance	623 014,14	563 969,22
Compensation for rehabilitation and expenses	7 771,39	11 470,41
Total expenditure	111 317 001,28	107 966 220,89
Payments and refunds of cost allocation (net)*	-5 420 010,70	-3 350 550,68
Total expenditure	105 896 990,58	104 615 670,21
Income		
Advance payments received	-107 240 802,00	-105 561 498,96
Refund/charge (+/-)	1 343 811,42	945 828,75
Total income	-105 896 990,58	-104 615 670,21
Impact on Keva's result	0,00	0,00

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

Net investment income ⁷

	2020 EUR	2019 EUR
Investment income		
Interest income	96 510 703,56	141 235 982,47
Dividend income	33 933 829,65	103 468 914,21
Real estate income	170 477 923,74	181 115 448,62
Gains on disposal and other income	4 357 949 151,66	5 106 711 218,87
	4 658 871 608,61	5 532 531 564,17
Investment expenses		
Real estate investment expenses	-76 804 751,52	-72 296 732,14
Losses on disposal and other expenses	-2 963 552 156,50	-3 502 583 078,37
	-3 040 356 908,02	-3 574 879 810,51
Change in valuation differences		
Equities and equity funds	874 386 850,50	4 465 239 361,47
Bonds	89 501 412,57	-170 336 398,20
Short-term investments	-651 144,60	105 801,83
Private equity and infra funds	108 951 525,22	114 568 434,39
Hedge funds	-149 829 466,60	-89 542 727,19
Unlisted equities	193 463 792,22	11 334 881,39
Real estate	-114 029 838,96	32 222 697,11
Other shares in subsidiaries and associated companies	32 101 849,36	34 523 466,60
	1 033 894 979,71	4 398 115 517,40
Net investment income	2 652 409 680,30	6 355 767 271,06

Personnel expenses ⁸

	2020 EUR	2019 EUR
Salaries and remuneration	33 208 062,54	33 281 179,27
Pension costs	5 998 699,91	5 973 840,99
Other statutory social security expenses	1 351 816,56	1 241 941,40
Voluntary social security expenses	395 839,62	1 112 173,89
	40 954 418,63	41 609 135,55
Salary and remuneration paid to the CEO and deputy CEOs		
CEO Timo Kietäväinen	249 874,83	
Deputy CEO Tapani Hellstén	207 746,35	
Deputy CEO Kimmo Mikander	207 763,23	

Operating costs and depreciation by function ⁹

2020 Type of cost	Pension EUR	Investment EUR	Administration EUR	Total EUR
Personnel	-17 282 383,89	-9 210 276,81	-14 461 757,93	-40 954 418,63
IT	-14 803 251,58	-4 135 144,12	-3 856 713,73	-22 795 109,43
Services purchased	-2 383 144,78	-4 990 789,12	-1 916 861,98	-9 290 795,88
Other operating costs	-152 662,60	-255 684,17	-3 145 929,93	-3 554 276,70
External expenses	-34 621 442,85	-18 591 894,22	-23 381 263,57	-76 594 600,64
Internal income and expenses	-3 206 614,02	-996 018,08	4 202 632,10	0,00
Total operating costs	-37 828 056,87	-19 587 912,30	-19 178 631,47	-76 594 600,64
Depreciation	-3 980 742,60	-374 634,72	-3 698 553,54	-8 053 930,86
Total operating costs and depreciation	-41 808 799,47	-19 962 547,02	-22 877 185,01	-84 648 531,50
Reimbursements received	11 937 966,73	0,00	4 830 553,84	16 768 520,57
Net operating costs	-29 870 832,74	-19 962 547,02	-18 046 631,17	-67 880 010,93

2020 Type of cost	Pension EUR	Investment EUR	Administration EUR	Total EUR
Personnel	-19 453 972,71	-9 041 282,93	-13 113 879,91	-41 609 135,55
IT	-17 471 120,35	-3 837 971,76	-3 767 279,98	-25 076 372,09
Services purchased	-2 415 256,15	-5 712 319,84	-2 385 370,35	-10 512 946,34
Other operating costs	-330 545,70	-444 489,84	-4 245 123,44	-5 020 158,98
External expenses	-39 670 894,91	-19 036 064,37	-23 511 653,68	-82 218 612,96
Internal income and expenses	-3 782 761,72	-830 246,95	4 613 008,67	0,00
Total operating costs	-43 453 656,63	-19 866 311,32	-18 898 645,01	-82 218 612,96
Depreciation	-3 993 914,41	-202 601,22	-2 944 264,01	-7 140 779,64
Total operating costs and depreciation	-47 447 571,04	-20 068 912,54	-21 842 909,02	-89 359 392,60
Reimbursements received	13 986 514,89	0,00	4 538 018,49	18 524 533,38
Net operating costs	-33 461 056,15	-20 068 912,54	-17 304 890,53	-70 834 859,22

Fees paid to the auditors

Ernst & Young appointed as the principal statutory auditor by Keva's Council	Keva 2020	Keva 2019	Group 2020	Group 2019
Audit	104 181,08	101 184,00	175 136,36	170 748,00
Other assignments under the Auditing Act	0,00	0,00	1 798,00	10 366,40
Tax consultation	2 728,00	1 860,00	2 728,00	1 860,00
Other services	27 100,20	12 914,60	27 100,20	12 914,60

Fees paid to the auditors

Statutory auditors appointed by the Ministry of Finance BDO Oy	Keva 2020	Keva 2019	Group 2020	Group 2019
Audit	10 740,00	20 780,00	10 740,00	20 780,00

Reimbursements received ¹⁰

	2020	2019
	EUR	EUR
Reimbursements for statutory payments		
State	2 011 161,42	2 035 335,89
Evangelical Lutheran Church	165 293,37	166 852,14
Social Insurance Institution of Finland Kela	103 521,15	105 528,78
	2 279 975,94	2 307 716,81
Reimbursements for operating costs		
State	13 919 111,47	15 310 998,41
Evangelical Lutheran Church	1 773 747,02	2 033 472,25
Social Insurance Institution of Finland Kela	496 898,48	546 607,89
Other	578 763,60	633 454,83
	16 768 520,57	18 524 533,38
Total reimbursements received	19 048 496,51	20 832 250,19

NOTES TO THE BALANCE SHEET

Investments ¹¹

	31 Dec 2020		31 Dec 2019	
	Book value, i.e. fair value EUR	Acquisition value EUR	Book value, i.e. fair value EUR	Acquisition value 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*	34 805 305,03	34 805 305,03	36 034 558,28	36 034 558,28
	45 235 876,03	45 235 876,03	46 465 129,28	46 465 129,28
Investment properties				
Land and sites	9 724 286,83	9 724 286,83	9 724 286,83	9 724 286,83
Real estate shares	2 626 519 869,08	2 413 232 415,52	2 479 614 048,72	2 227 503 491,63
Other real estate investments	927 393 092,79	1 080 195 636,13	894 763 776,98	973 189 425,62
	3 563 637 248,70	3 503 152 338,48	3 384 102 112,53	3 210 417 204,08
Real estate and real estate shares	3 608 873 124,73	3 548 388 214,51	3 430 567 241,81	3 256 882 333,36
Loans receivable from real estate companies	149 590 876,30	149 590 876,30	193 462 490,93	193 462 490,93
Total real estate investments	3 758 464 001,03	3 697 979 090,81	3 624 029 732,74	3 450 344 824,29
Other investments				
Equities and shares				
Equities	1 399 478 877,45	1 087 456 180,21	1 730 272 771,38	1 384 770 611,99
Fixed income funds	557 825 242,99	252 123 369,07	625 151 237,06	272 710 799,64
Forex funds	98 839 418,71	104 211 168,46	107 172 660,55	104 211 168,46
Fund units	27 794 904 729,52	19 334 052 919,04	26 347 352 308,22	18 814 215 550,22
Unlisted equities	516 602 931,28	191 032 336,45	252 980 902,92	120 874 100,31
Private equity and infra funds	6 237 719 833,35	5 425 148 070,67	5 196 666 720,41	4 500 362 348,13
Hedge funds	3 560 335 649,44	3 066 726 028,86	3 954 561 901,39	3 335 869 929,26
Other shares and holdings in subsidiaries and associated companies	387 181 356,43	24 604 238,77	355 079 507,07	24 604 238,77
	40 552 888 039,17	29 485 354 311,53	38 569 238 009,00	28 557 618 746,78
Money market instruments				
Bonds	9 284 817 517,89	8 635 693 027,56	10 290 482 852,56	9 824 301 939,59
Money market investments	38 459 866,87	38 425 788,94	664 329 501,04	663 644 278,51
	9 323 277 384,76	8 674 118 816,50	10 954 812 353,60	10 487 946 218,10
Loans receivable from other than real estate companies	100 399 643,42	100 399 643,42	123 578 041,53	123 578 041,53
Total other investments	49 976 565 067,35	38 259 872 771,45	49 647 628 404,13	39 169 143 006,41
Total investments	53 735 029 068,38	41 957 851 862,26	53 271 658 136,87	42 619 487 830,70

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

	2020	2019
Valuation difference between fair value and acquisition value	11 777 177 206,12	10 652 170 306,17
Negative valuation difference of derivatives	-244 400 046,52	-156 996 696,62
Total valuation difference	11 532 777 159,60	10 495 173 609,55

Changes in tangible and intangible assets ¹²

	Intangible rights* EUR	Land in own use** EUR	Buildings in own use** EUR	IT hardware EUR	Machinery and equipment EUR	Other EUR	Total EUR
Completed at 1 Jan 2020	17 003 169,89	10 430 571,00	36 034 558,28	1 007 253,17	3 663 709,87	95 026,55	68 234 288,76
In progress at 1 Jan 2020	14 534 867,29	0,00	0,00	0,00	0,00	0,00	14 534 867,29
Balance at 1 Jan 2020	31 538 037,18	10 430 571,00	36 034 558,28	1 007 253,17	3 663 709,87	95 026,55	82 769 156,05
Changes in 2020							
Investments, completed	7 331 038,04		62 990,75	259 541,34	22 946,57		7 676 516,70
Investments, in progress	-5 539 010,18						-5 539 010,18
Disposals							0,00
Depreciation to plan	-5 660 094,83		-1 292 244,00	-372 276,52	-729 315,51		-8 053 930,86
Change in year	-3 868 066,97	0,00	-1 229 253,25	-112 735,18	-706 368,94	0,00	-5 916 424,34
Completed at 31 Dec 2020	18 674 113,10	10 430 571,00	34 805 305,03	894 517,99	2 957 340,93	95 026,55	67 856 874,60
In progress at 31 Dec 2020	8 995 857,11						8 995 857,11
Balance at 31 Dec 2020	27 669 970,21	10 430 571,00	34 805 305,03	894 517,99	2 957 340,93	95 026,55	76 852 731,71

* Long-term IT expenditure.

**Included in real estate investment items.

Loan portfolio by borrower ¹³

Borrowers	31 Dec 2020 Book value EUR	%	31 Dec 2019 Book value EUR	%
Subsidiaries, associated companies and real estate companies	149 590 876,30	59,8	193 462 490,93	61,0
Others				
Non-financial companies excl. housing corporations, public	31 932 482,99	12,8	36 516 124,03	11,5
Non-financial companies excl. housing corporations, Finnish, private	16 264 125,65	6,5	17 045 790,73	5,4
Housing corporations	16 420 434,66	6,6	18 583 124,18	5,9
Municipalities	22 471 687,22	9,0	33 756 817,71	10,6
Joint municipal authorities	2 108 000,00	0,8	2 732 000,00	0,9
Government of Åland	6 003 186,00	2,4	8 789 648,00	2,8
Employee households	3 658 686,78	1,5	4 291 114,91	1,4
Non-profit institutions serving households	1 541 040,12	0,6	1 863 421,97	0,6
	100 399 643,42	40,2	123 578 041,53	39,0
Total loan portfolio	249 990 519,72	100,0	317 040 532,46	100,0

Other receivables and prepayments ¹⁴

Other receivables	31 Dec 2020 EUR	31 Dec 2019 EUR
Interest	83 336,48	60 958,86
Rent	6 263 770,35	952 746,48
Pension	1 460 694,31	1 294 001,22
Withholding tax on dividends	8 703 792,91	9 205 328,24
Proceeds from sales of securities	122 061 053,08	83 124 744,42
Derivatives	37 190 000,00	30 650 000,00
Other	58 697 808,47	3 302 487,49
Total other receivables	234 460 455,60	128 590 266,71

Prepayments	31 Dec 2020 EUR	31 Dec 2019 EUR
Balancing payment to Keva member organisations' pensions	418 317 451,96	1 246 561,70
Balancing payment to Church pensions	17 152 179,56	16 783 390,66
Balancing payment to Kela pensions	7 008 869,17	6 881 701,16
Balancing payment to Bank of Finland pensions	1 712 255,09	0,00
Other prepayments	7 155 161,38	7 352 646,07
Total prepayments	451 345 917,16	32 264 299,59

Other accrued income ¹⁵

	31 Dec 2020 EUR	31 Dec 2019 EUR
State	96 496 417,72	94 981 311,97
Evangelical Lutheran Church	3 846 362,83	6 018 763,46
Social Security Institution of Finland Kela	2 282 812,06	2 242 741,78
Bank of Finland	403 995,21	0,00
Total other accrued income	103 029 587,82	103 242 817,21

Pension liability fund ¹⁶

	2020 EUR	2019 EUR
Fund capital at 1 Jan	56 543 954 179,30	50 493 362 610,79
Change in fund	2 309 500 402,73	6 050 591 568,51
Fund capital at 31 Dec	58 853 454 582,03	56 543 954 179,30

Other liabilities ¹⁷

	31 Dec 2020 EUR	31 Dec 2019 EUR
PAYE and social security contributions	111 995 663,67	105 358 348,32
State/PAYE	95 826 570,70	93 303 474,15
Evangelical Lutheran Church/PAYE	4 504 287,45	4 256 343,95
Social Insurance Institution of Finland Kela/PAYE	2 369 862,77	2 258 067,86
Value added tax	3 792 030,87	4 441 337,55
Trade payables	3 343 931,94	6 877 620,03
Purchase of securities	0,00	67 866 188,00
Collateral received for derivative contracts	316 460 000,00	215 012 000,00
Other liabilities	4 004 204,27	3 205 007,63
Total other liabilities	542 296 551,67	502 578 387,49

Accrued liabilities and deferred income ¹⁸

	31 Dec 2020 EUR	31 Dec 2019 EUR
Negative market value of derivatives	244 400 046,52	156 996 696,62
Liability dispersion for Finnish Centre for Pensions	11 094 622,73	3 407 866,94
Wages, salaries and holiday pay	9 202 386,91	9 021 820,02
State	30 556 709,95	37 463 724,10
Evangelical Lutheran Church	2 179 440,64	269 734,35
Social Insurance Institution of Finland Keva	1 492 046,59	1 089 036,23
Other accrued liabilities and deferred income	267 990,37	732 199,82
Total accrued liabilities and deferred income	299 193 243,71	208 981 078,08

Receivables and liabilities, subsidiaries and associated companies ¹⁹

Receivables	31 Dec 2020 EUR	31 Dec 2019 EUR
Loans receivable from subsidiaries and associated companies and real estate companies ¹	149 590 876,30	193 462 490,93
Capital loans to other real estate companies ¹	1 509 989,47	1 509 989,47
Other receivables from real estate subsidiaries and other subsidiaries and associated companies ²	10 646 541,26	8 810 929,15
Prepayments and accrued income from real estate subsidiaries and associated ³	369 940,94	514 596,28
Total receivables	162 117 347,97	204 298 005,83
Liabilities	31 Dec 2020 EUR	31 Dec 2019 EUR
Amounts owed to real estate subsidiaries and associated companies ⁴	2 294 936,07	895 956,34
Total liabilities	2 294 936,07	895 956,34

Stated in balance sheet item

¹ investments: real estate investments² receivables: receivables from subsidiaries and associated companies³ prepayments and accrued income: interest⁴ liabilities: amounts owed to subsidiaries and associated companies

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

31 Dec 2020	Book value, i.e. fair value EUR	Acquisition value EUR
Land and buildings in own use	45 235 876,03	45 235 876,03
Investment properties		
Land, sites and buildings	9 724 286,83	9 724 286,83
Shares in real estate subsidiaries	2 218 348 047,00	2 122 813 628,76
Shares and holdings in associated companies	165 041 481,43	94 012 002,03
Other real estate shares	12 559 346,53	6 448 231,49
Shares in real estate investments, Nordics	230 570 994,12	189 958 553,24
	2 636 244 155,91	2 422 956 702,35
Other real estate investments		
Holdings in real estate funds		
Blackstone Real Estate Partners Europe V LP	97 300 000,00	78 456 869,90
Patrizia TransEuropean Properties VI LP	78 856 479,00	63 750 000,00
Blackstone Real Estate Partners IX Lux SCSp	73 343 655,90	67 754 967,03
Landmark RE Partners VIII Offshore Co inv LP	51 503 545,03	44 332 909,06
Aberdeen Asia III Property Fund of Funds	42 413 128,60	43 001 518,49
Ares European Real Estate Fund V LP	41 618 730,93	42 182 329,63
EQT Real Estate I LP	40 895 599,16	45 713 422,25
Aberdeen Keva Asia IV Property Fund	39 040 650,21	39 377 264,48
Ares European Real Estate Fund IV LP	37 350 631,42	41 668 666,66
Patron Capital V LP	35 155 388,00	33 218 872,00
Areim Fastigheter 4 AB	33 341 840,36	35 704 352,20
Aberdeen Property Finland I Ky	30 124 720,84	39 499 999,99
Blackstone Real Estate Partners Europe VI LP	30 000 000,00	28 184 447,73
Carlyle Realty VIII LP	29 706 446,14	31 919 771,87
Landmark RE Partners VIII Offshore Fund LP	29 418 955,31	28 960 979,26
Patrizia UK Value 2 LP	26 328 604,07	39 710 760,01
LRAF Holdings VII Hazel LP	22 250 128,11	24 492 703,89
Sierra Portugal Fund	15 726 700,00	24 780 563,41
Landmark LRAF Holdings VIII Yeti LP	14 342 759,38	14 439 248,50
EQT Real Estate II LP	10 179 865,79	10 727 097,71
CapMan RE II Ky	5 330 983,33	11 752 158,45
	784 228 811,58	789 628 902,52
Other investments in real estate funds	141 654 291,74	289 056 744,14
Other real estate investments, capital loans	1 509 989,47	1 509 989,47
Total real estate and real estate shares	3 608 873 124,73	3 548 388 214,51

Holdings in investment properties

	31 Dec 2020		31 Dec 2020
Real estate subsidiaries		Kiinteistö Oy Kipparin Kruunu	100,00%
Asunto Oy Tuusulan Rykmentin puistotie 17	100,00%	Kiinteistö Oy Konalankuja 1-3	100,00%
Kiint. Oy Lintulahdenkulma	100,00%	Kiinteistö Oy Kotkan Kaivokaari	100,00%
Kiinteistö Oy Abraham Wetterintie 6	100,00%	Kiinteistö Oy Kouvolan Hansakaari	100,00%
Kiinteistö Oy Albertinkatu 34	100,00%	Kiinteistö Oy Kulma-Sarvis	100,00%
Kiinteistö Oy Aurajoenranta	100,00%	Kiinteistö Oy Kuopion Haapaniemenkatu 18	100,00%
Kiinteistö Oy Espoon Andante	100,00%	Kiinteistö Oy Kuopion Kirkkokatu 1	100,00%
Kiinteistö Oy Espoon Itsehallintotie 2-4	100,00%	Kiinteistö Oy Kuopion Safiri	100,00%
Kiinteistö Oy Espoon Keilasatama 5	100,00%	Kiinteistö Oy Kuopion Särkiranta 6	100,00%
Kiinteistö Oy Espoon Komentajankatu 4	100,00%	Kiinteistö Oy Kuopion Tulliportinkatu 3	100,00%
Kiinteistö Oy Espoon Suviniiitty	100,00%	Kiinteistö Oy Käsityöläiskatu 18	100,00%
Kiinteistö Oy Gaselli	100,00%	Kiinteistö Oy Lahden Laaksokatu 7	100,00%
Kiinteistö Oy Hatanpään Elisa	100,00%	Kiinteistö Oy Lahden Rauhankatu 5	100,00%
Kiinteistö Oy Haukipurontie	100,00%	Kiinteistö Oy Lakelanportti	100,00%
Kiinteistö Oy Helsingin Apollonkatu 10	100,00%	Kiinteistö Oy Lappeenrannan Porarinpolku 1	100,00%
Kiinteistö Oy Helsingin Auringonkehrä	100,00%	Kiinteistö Oy Lappeenrannan Valtakatu 43	100,00%
Kiinteistö Oy Helsingin Hämeentie 17 a	100,00%	Kiinteistö Oy Lielahतिकeskus	100,00%
Kiinteistö Oy Helsingin Kaivonkatsojantie 8	100,00%	Kiinteistö Oy Mastokoukku	100,00%
Kiinteistö Oy Helsingin Kuparitalo	100,00%	Kiinteistö Oy Menuetto	100,00%
Kiinteistö Oy Helsingin Liisankatu 14	100,00%	Kiinteistö Oy Oulun Tullipuomi	100,00%
Kiinteistö Oy Helsingin Merikorttikuja 4	100,00%	Kiinteistö Oy Paciuksenkatu 21	100,00%
Kiinteistö Oy Helsingin Pohjoinen Rautatiekatu 25	100,00%	Kiinteistö Oy Piispanpuro	100,00%
Kiinteistö Oy Helsingin Rukkilantie 7-9	100,00%	Kiinteistö Oy Porin Valta-Antti	100,00%
Kiinteistö Oy Helsingin Strömberginaukio	100,00%	Kiinteistö Oy Powergate Vaasa	100,00%
Kiinteistö Oy Helsingin Suvilahdenkatu 6	100,00%	Kiinteistö Oy Quartetto	100,00%
Kiinteistö Oy Helsingin Tapulikaupungintie 11	100,00%	Kiinteistö Oy Ratinanraitti	100,00%
Kiinteistö Oy Helsingin Tyynenmerenkatu 3	100,00%	Kiinteistö Oy Rauman Kanalinparras	100,00%
Kiinteistö Oy Helsingin Työpajankatu 13	100,00%	Kiinteistö Oy Riihentausta	100,00%
Kiinteistö Oy Helsingin Valimotie 17-19	100,00%	Kiinteistö Oy Riihimäen Merkurius	100,00%
Kiinteistö Oy Helsingin Veneentekijänranta	100,00%	Kiinteistö Oy Rovaniemen Ahjotie 30	100,00%
Kiinteistö Oy Hermannin Tuulensuuntori	100,00%	Kiinteistö Oy Rovaniemen Pohjanpuistikko	100,00%
Kiinteistö Oy Hermian Bitti	100,00%	Kiinteistö Oy Rukavarri	100,00%
Kiinteistö Oy HTC Santa Maria	100,00%	Kiinteistö Oy Ruoholahdenkatu 8	100,00%
Kiinteistö Oy HTC Vega	100,00%	Kiinteistö Oy Seinäjoen Alkionkatu 4	100,00%
Kiinteistö Oy Hämeenlinnakeskus	100,00%	Kiinteistö Oy Seinäjoen Torikatu 21	100,00%
Kiinteistö Oy Jokiniementalo	100,00%	Kiinteistö Oy Sofianlehdonkadun senioritalo	100,00%
Kiinteistö Oy Jyväskylän Isohovi	100,00%	Kiinteistö Oy Sörnäisten Rantatie 31	100,00%
Kiinteistö Oy Jyväskylän Schaumanin Puistotie 11	100,00%	Kiinteistö Oy Tampereen Hovi-Sarvis	100,00%
Kiinteistö Oy Kaapelipuisto	100,00%	Kiinteistö Oy Tampereen Hämeenkadunaukio	100,00%
Kiinteistö Oy Kaarenmänty	100,00%	Kiinteistö Oy Tampereen Ilveshotelli	100,00%
Kiinteistö Oy Kaarenpetäjä	100,00%	Kiinteistö Oy Tampereen Pellavanliikka	100,00%
Kiinteistö Oy Kalliokrouvi	100,00%	Kiinteistö Oy Tampereen Tarmotalo	100,00%
Kiinteistö Oy Karhu	100,00%	Kiinteistö Oy Tampereen Tullinkulma	100,00%
Kiinteistö Oy Keilarannanpuisto	100,00%	Kiinteistö Oy Tampereen Yliopistonkatu 57	100,00%
Kiinteistö Oy Kiirulankulma	100,00%	Kiinteistö Oy Tirkkosentalo	100,00%

Continued on the next page

31 Dec 2020

Kiinteistö Oy Turun Catharina	100,00%
Kiinteistö Oy Turun Kaakelina	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 Tykkimiehenraitti	100,00%
Kiinteistö Oy Vaasan Pitkäkatu 52	100,00%
Kiinteistö Oy Valimotie 15	100,00%
Kiinteistö Oy Vantaan Kielotie 50	100,00%
Kiinteistö Oy Vantaan Lähettiläentie 7	100,00%
Kiinteistö Oy Vantaan Osmankäämintie 5	100,00%
Kiinteistö Oy Vantaan Puutarharanta	100,00%
Kiinteistö Oy Vantaan Spinellikuja 1	100,00%
Kiinteistö Oy Westport	100,00%
Kiinteistö Oy Värehtäntäkatu 4	100,00%
Mågen Ejendomme Aps	100,00%
Oy Kamppiparkki Ab	100,00%
Kiinteistö Oy Tilkanhovi	99,99%
Kiinteistö Oy Lohjantähti	99,73%
Kiinteistö Oy Helsingin Kaarlenkatu 9 -11	99,56%
Kiinteistö-oy Rekipellonpuisto 1	98,93%
Kiinteistö Oy Kirkkonummen Kunnantalo	95,00%
Kiinteistö Oy Pohjoisesplanadi 37	97,53%
Kiinteistö Oy Mikonkatu 2 - Pohjoisesplanadi 35	84,18%
Kiinteistö Oy Tampereen Hämeenkatu 11	66,59%

Associated companies

Campus Marian Kehitys Oy	50,00%
Leppävaaran Hotelliikiinteistö Oy	49,00%
Kiinteistö Oy Kauppakeskus Sello	49,00%
Asunto Oy Espoon Sellonhuippu	49,00%
Stadsrum Fastigheter AB	49,00%
Akiva Kiinteistöt I Ky	48,75%
Kiinteistö Oy Selloparkki	24,81%
Kiinteistö Oy Massun Parkki	22,92%

Other shares

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 ²¹

31 Dec 2020 Name	Number of shares	Book value, i.e. fair value EUR	Acquisition value EUR
Roche Holding AG	170 898	48 886 763,56	38 425 681,75
Novo Nordisk A/S	832 841	47 753 848,68	37 766 709,38
Adidas AG	137 850	41 065 515,00	29 186 725,26
Capgemini SE	311 100	39 447 480,00	30 963 659,57
SAP AG	362 100	38 824 362,00	32 567 278,40
Thule Group AB	1 131 691	34 691 822,21	23 130 483,59
Beiersdorf AG	350 500	33 101 220,00	35 765 928,36
Heineken NV	355 000	32 383 100,00	33 010 173,07
Salvatore Ferragamo Italia SpA	1 964 586	31 158 333,96	36 897 179,88
Remy Cointreau SA	204 527	31 149 462,10	17 459 098,35
Royal Unibrew A/S	322 230	30 599 486,35	23 403 588,01
Schneider Electric SE	251 544	29 757 655,20	19 549 785,52
Sanofi	363 985	28 645 619,50	27 162 311,29
Davide Campari-Milano SpA	2 994 692	27 970 423,28	13 536 719,92
Siemens AG	232 506	27 324 105,12	20 374 725,99
EQT AB	1 288 870	27 025 128,61	8 088 409,84
Sika AG	120 345	26 938 919,64	15 589 946,80
JC Decaux SA	1 324 165	24 669 193,95	28 667 537,44
AtoS SA	319 925	23 923 991,50	22 632 320,99
Nordea Bank Abp	3 446 460	22 994 781,12	26 053 082,82
Nestle SA	236 500	22 826 782,08	20 533 054,08
Sampo Oyj	650 400	22 484 328,00	21 847 478,80
DnB ASA	1 399 800	22 460 330,65	22 301 084,02
Skandinaviska Enskilda Banken AB	2 590 100	21 811 531,45	21 157 808,89
Gjensidige Forsikring ASA	1 188 535	21 726 750,81	19 930 943,75
Experian Plc	692 346	21 385 769,57	20 854 732,34
Svenska Handelsbanken AB	2 567 800	21 137 526,28	22 749 692,00
MTU Aero Engines AG	95 428	20 364 335,20	23 043 856,39
Boliden AB	700 611	20 346 017,70	15 852 242,08
Kone Oyj	305 756	20 320 543,76	15 241 704,55
Assa Abloy AB	1 001 700	20 215 087,25	20 004 196,97
Allianz SE	91 740	18 412 218,00	19 832 947,04
Finnair Oyj	23 980 084	18 164 913,63	15 402 107,21
St James's Place Plc	1 402 310	17 680 370,90	19 379 706,36
Husqvarna AB	1 660 643	17 625 392,85	12 005 797,88
Epiroc AB	1 094 414	16 321 921,32	9 823 229,87
Smith & Nephew Plc	922 998	15 502 563,65	15 769 470,71
Air Liquide SA	112 259	15 070 770,75	13 680 636,17
Sonova Holding AG	69 827	14 867 811,52	12 707 833,59
Hella KGaA Hueck & Co	278 007	14 706 570,30	11 132 340,73
Croda International Plc	189 234	13 883 691,50	10 671 776,27
DSV A/S	100 329	13 753 118,57	10 120 274,86
Huhtamaki Oyj	324 395	13 708 932,70	12 300 552,12
Symrise AG	122 723	13 303 173,20	10 854 511,77
Fresenius SE & Co KGaA	336 148	12 719 840,32	14 058 918,37

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31 Dec 2020 Name	Number of shares	Book value, i.e. fair value EUR	Acquisition value EUR
Telenor ASA	905 066	12 611 780,89	14 015 039,51
Atlas Copco AB	298 898	12 543 570,33	9 961 814,10
Deutsche Post AG	294 074	11 909 997,00	7 872 925,73
Cie Generale des Etablissements Michelin	111 193	11 669 705,35	12 063 517,02
Fresenius Medical Care AG & Co	164 930	11 248 226,00	10 880 082,61
Swisscom AG	24 948	11 018 969,45	11 473 236,56
Amadeus IT Group SA	181 058	10 783 814,48	13 235 714,85
Konecranes Oyj	367 131	10 566 030,18	10 575 854,67
Elisa Oyj	231 479	10 386 462,73	11 007 279,97
Siemens Energy AG	336 253	10 087 590,00	6 665 703,49
Freni Brembo SpA	925 926	10 000 000,80	10 421 447,67
Coloplast A/S	79 900	9 981 996,80	8 221 910,40
Prudential Plc	563 130	8 437 272,50	8 586 128,36
Outokumpu Oyj	1 765 000	5 683 300,00	13 751 960,66
		1 246 040 220,25	1 080 220 858,65
Other		153 438 657,20	7 235 321,56
Total		1 399 478 877,45	1 087 456 180,21

Hybrid funds ²²

31 Dec 2020	Book value, i.e. fair value EUR	Acquisition value EUR
Mercer Investment Fund 1	15 038 120 806,64	11 721 213 503,53
Mercer Investment Fund 2	12 756 783 922,88	7 612 839 415,51
Total	27 794 904 729,52	19 334 052 919,04

The share of the fair value of hybrid funds classified as fixed income investments based on return totals EUR 6 273 544 368.

Major private equity investments ²³

Major private equity investments

31 Dec 2020	Book value, i.e. fair value EUR	Acquisition value EUR
Blackstone Core Equity Partners LP	236 143 572,52	178 246 123,52
Advent GPE VIII LP	221 776 597,00	119 000 000,00
Keva Investments III LP	206 829 310,93	146 956 558,51
Keva Investments Ky	187 963 995,93	197 101 690,83
EQT Infrastructure III	183 503 595,00	136 763 204,84
Warburg Pincus Private Equity XII LP	178 659 213,09	124 754 354,35
EQT VIII LP	172 995 076,46	144 067 096,75
Resolute Fund IV LP	122 825 003,06	83 426 053,08
Keva Crown Emerging Asia Fund II LP	122 236 212,42	102 193 742,03
Keva Crown Emerging Asia Fund I LP	117 159 101,33	23 261 077,77
Silver Lake Partners V LP	116 344 226,42	81 314 318,91
Keva Investments IV LP	113 542 475,14	102 108 512,34
Bridgepoint Europe V LP	107 809 827,00	74 854 127,52
Blackstone Capital Partners VII LP	105 946 205,18	93 691 875,47
Cinven Fund 6 LP	104 131 682,87	80 945 531,13
Clearlake Capital Partners V LP	102 934 756,11	68 859 609,68
MBK Partners Fund IV LP	97 964 242,69	57 558 195,08
Pine Brook Capital Partners II LP	94 738 241,55	112 443 685,28
Carlyle Partners VII LP	94 618 816,89	106 342 565,42
Lindsay Goldberg IV LP	93 524 940,26	72 996 934,24
EQT VII LP	91 846 630,00	71 372 179,65
MBK Partners Fund III LP	89 497 168,27	41 927 580,71
Ares Corporate Opportunities Fund V LP	88 637 040,33	100 017 870,73
EQT Infrastructure IV LP	85 597 656,00	89 464 808,97
Carlyle Partners VI LP	84 274 432,55	59 923 959,13
Energy Capital Partners III D LP	82 796 838,22	67 249 839,73
Crown Secondaries Special Opportunities PLC	82 062 636,44	28 751 782,33
Platinum Equity Capital Partners IV LP	81 869 986,29	65 884 922,11
Montagu V LP	77 895 529,00	59 939 867,40
Crown Global Secondaries IV PLC	77 441 971,45	54 053 866,13
Lexington Capital Partners VIII LP	77 213 897,94	87 934 421,41
Warburg Pincus Global Growth LP	76 601 977,15	78 642 369,75
Advent International GPE IX SCSp	76 033 374,00	55 407 425,00
Centerbridge III LP	74 650 057,17	65 018 743,14
Advent International GPE VII LP	72 130 482,00	51 643 052,00
Committed Advisors Secondary Fund III SLP	68 610 306,00	53 516 221,73
Carlyle Asia Partners IV LP	68 089 889,29	67 412 014,90
Crescent Mezzanine VII LP	62 671 329,26	69 737 159,51
Keva Crown Emerging Asia Fund III LP	62 430 881,86	64 978 433,12
SAIF Partners III LP	62 210 204,65	10 353 801,87
Bridgepoint Europe VI LP	54 807 776,00	55 618 556,28
Wynnchurch Capital IV LP	54 707 138,88	51 999 613,11
Altor Fund IV AB	53 997 436,61	42 967 204,66
Hitec Vision VII LP	52 145 701,34	47 492 856,84

Continued on the next page

31 Dec 2020	Book value, i.e. fair value EUR	Acquisition value EUR
Warburg Pincus Private Equity XI LP	51 798 851,04	26 305 081,88
European Diversified Infrastructure Fund III SCSp	51 339 513,00	51 984 117,10
Warburg Pincus China LP	51 126 381,80	30 620 958,17
ASF Cruise LP	50 308 961,05	14 203 261,61
Hitec Vision VI LP	50 275 947,44	47 812 407,48
ASF VIII LP	49 414 330,62	45 448 296,07
Crown Global Secondaries III PLC	45 734 421,07	1 153 329,98
Apollo Investment Fund IX LP	45 573 303,80	52 009 050,09
Energy Capital Partners IV D LP	45 432 320,18	35 523 617,42
Antin Infrastructure Partners IV B SCSP	44 230 753,00	50 575 000,00
Infranode II AB	44 123 412,00	47 598 345,00
ASF VII Infrastructure LP	41 287 272,50	38 075 161,25
PAI Europe VII LP	39 965 559,85	44 362 299,99
EQT Infrastructure IV Co-Investment (D) SCSp	39 266 000,39	39 561 229,99
Hellman & Friedman Capital Partners IX LP	39 225 438,09	40 898 176,90
Resolute Fund III LP	36 308 404,43	39 514 044,48
EQT Marcel Co Investment	35 090 262,44	28 462 699,64
Sponsor Fund IV Ky	33 656 000,00	21 197 917,69
Committed Advisors Secondary Fund IV SLP	30 696 281,00	27 750 000,00
Carlyle Asia Partners V LP	30 419 391,30	31 990 160,61
Keva Crown Secondaries Fund L.P	30 231 740,74	28 518 459,80
Intera Fund III Ky	30 146 432,00	27 251 578,08
Energy Capital Partners Volt Parent LP	27 199 584,43	13 503 728,92
Blackstone Motion Partners (Cayman) LP	26 280 234,74	35 707 844,91
Ulysses Co Inv partners LP	26 028 829,34	29 456 357,85
Nordic Mezzanine Fund III LP	25 787 869,00	1 905 888,65
Cortec VII A LP	25 144 618,25	23 978 226,16
Bowmark Capital Partners V LP	23 383 220,72	23 961 560,01
Intera Fund II Ky	22 976 910,00	23 957 350,40
Affinity Asia Pacific Fund V LP	22 583 505,05	19 912 887,36
Element Co-Investment LP	22 382 319,33	9 416 385,67
Clearlake Capital Partners VI LP	21 484 801,66	21 683 652,47
Cinven Fund 5 LP	21 181 143,00	30 725 719,38
Carlyle Sabre Coinvestment LP	20 798 900,70	26 536 930,56
Ares Capital Europe II LP	20 538 243,05	24 259 894,55
EQT VI LP	20 007 917,85	26 902 064,82
Cinven Fund 7 LP	19 689 057,00	21 990 684,93
Apollo IX Tiger Co-Invest LP	19 565 641,13	24 476 471,75
Triton Fund III	17 979 700,39	22 875 149,00
Bowmark Capital Partners VI LP	17 646 130,77	18 579 494,73
Platinum Equity Capital Partners V LP	16 917 466,41	17 448 181,53
Crescent Mezzanine VI LP	16 546 532,50	22 242 274,39
Kasvurahastojen Rahasto Ky	16 212 748,00	8 148 665,19
Altor Fund III LP	15 859 935,73	13 346 864,79
Kasvurahastojen Rahasto II Ky	15 664 215,00	12 221 453,93
MBK Partners 2015-3 Inc	15 517 555,24	22 026 470,07
Montagu IV LP	14 998 780,00	16 034 785,43

Continued on the next page

31 Dec 2020	Book value, i.e. fair value EUR	Acquisition value EUR
Zeus Co-Investment LP	14 977 289,91	19 795 598,87
SLP Zephyr Investors LP	14 079 825,15	12 863 250,97
Hitec Vision V LP	13 528 298,45	24 296 893,68
Wynnchurch Capital III LP	12 807 299,35	17 442 904,15
EQT Infrastructure II LP	12 620 693,62	24 245 304,57
WP Intrepid Co-Invest Holdings I LP	12 223 942,65	12 603 982,86
Bowmark Capital Partners IV LP	11 711 203,14	18 050 856,96
Crown Opportunities Fund Ky	11 648 676,00	0,00
Pinebridge SOP Feeder LP	11 117 116,80	27 081 288,72
PSP V RH Feeder LP	11 020 399,33	11 067 298,47
Hermes GPE Global Secondary T1 LP	10 913 727,97	7 402 068,79
Warburg Pincus China-Southeast Asia Fund LP	10 411 700,78	9 918 076,25
Blackstone TN Partners LP	10 385 425,00	25 479 137,45
Hitec Vision Asset Solutions	10 216 317,35	17 407 806,36
Bridgepoint Europe IV A	9 969 721,00	11 803 226,94
Wynnchurch Capital Partners V LP	9 203 927,98	10 637 696,57
MB Equity Fund IV Ky	7 515 132,00	7 515 132,03
Advent International GPE-VI LP	7 373 315,00	16 852 096,00
Hermes GPE Global Secondary T2 LP	6 884 294,24	6 427 507,48
	6 176 502 575,30	5 111 198 114,76
Other private equity investments	61 217 258,05	313 949 955,91
Total private equity investments	6 237 719 833,35	5 425 148 070,67

Investments in unlisted companies

31 Dec 2020	Book value, i.e. fair value EUR	Acquisition value EUR
Suomi Power Networks SHL 8,17 %	96 705 198,24	96 705 198,24
Suomi Power Networks TopCo B.V.	332 239 496,89	3 962 950,06
Jarla HoldCo Oy	87 658 236,15	87 658 236,15
Other investments	0,00	2 705 952,00
Total unlisted	516 602 931,28	191 032 336,45
Total private equity investments	6 754 322 764,63	5 616 180 407,12

Hedge fund investments ²⁴

31 Dec 2020	Book value, i.e. fair value EUR	Acquisition value EUR
OZ Overseas Fund II	410 094 373,02	222 379 426,72
Citadel Kensington Global Strategies Fund	370 476 016,62	351 437 685,63
Marshall Wace Eureka Fund	354 090 613,21	283 192 631,09
GoldenTree Master Fund	332 768 171,30	325 216 617,42
Davidson Kempner International, Ltd - Class C	278 899 740,29	183 292 491,29
King Street Capital	232 868 763,69	181 584 296,15
Taconic Opportunity Offshore Fund	134 280 243,22	133 299 954,68
Davidson Kempner Long-Term Distressed Opportunities International IV	127 411 061,85	123 728 683,68
Blackstone Tactical Opportunities III	108 683 790,24	117 105 289,92
Ares Capital Europe III Feeder	107 317 112,00	99 546 249,63
Davidson Kempner Long-Term Distressed Opportunities International III	99 670 340,65	88 265 867,70
York Distressed Asset Fund III	97 479 676,47	114 180 540,46
EQT Credit Opportunities III	90 000 000,00	77 839 876,94
York Distressed Asset Fund IV	82 070 851,60	84 626 244,54
Arcmont Private Debt Fund	79 725 122,14	87 297 732,70
Ares Capital Europe IV	75 113 013,00	72 389 465,05
H.I.G.WhiteHorse Direct Lending Fund	72 761 318,56	83 448 765,28
H.I.G Bayside Loan Opportunity Feeder Fund IV	65 037 739,39	78 399 539,04
GoldenTree CLO Debt Investment Fund	63 896 685,68	55 376 035,46
York European Distressed Credit Fund II	59 773 403,96	62 505 485,76
Arcmont Direct Lending Fund III	36 766 471,82	37 579 825,13
Arcmont Direct Lending Fund II	34 637 189,54	38 382 577,70
Davidson Kempner Long-Term Distressed Opportunities International II	34 297 930,89	17 265 483,68
H.I.G Bayside Loan Opportunity Fund V	30 840 912,00	26 250 000,00
Blue Mountain Credit Alternatives Fund Ltd	30 273 059,71	43 028 611,32
Davidson Kempner Long-Term Distressed Opportunities International V L.P.	26 122 104,15	24 559 268,18
H.I.G Bayside Loan Opportunity Feeder Fund III	16 924 436,00	32 263 938,80
York European Distressed Credit Fund	13 777 897,49	13 954 184,68
Alyeska Fund	5 110 713,64	4 132 417,41
Davidson Kempner Long-Term Distressed Opportunities International	850 779,89	3 967 640,42
AllBlue Class A	379 997,69	229 202,40
	3 472 399 529,70	3 066 726 028,86
Other	87 936 119,74	0,00
Total	3 560 335 649,44	3 066 726 028,86

Other shares in subsidiaries and associated companies ²⁵

31 Dec 2020	Holding	Book value, i.e. fair value	Acquisition value
Company name	%	EUR	EUR
Subsidiaries			
Kuntasijoitus KE Oy ¹	100,00 %	8 409,40	8 409,40
		8 409,40	8 409,40
Shares in associated companies			
Municipal finance plc ²	30,66 %	387 172 947,03	24 595 829,37
		387 172 947,03	24 595 829,37
Total		387 181 356,43	24 604 238,77

¹ Acts as the general partner in Keva Investments Ky. Investments through the latter are shown under private equity funds. Keva Investments Ky has a holding in two United States equity funds, the book values, i.e. fair values, of which are EUR 171 517 393,34 and EUR 16 446 602,59 and the acquisition values EUR 132 874 893,01 and EUR 64 226 797,82.

² Equity according to the 2020 consolidated financial statements is EUR 1 705 120k*. Profit for the period is EUR 155 301k*. A maximum dividend of EUR 0,52 per share may be paid*.

* Municipal Finance's Board of Directors's proposal to the AGM of Municipal Finance plc to be held in March 2021. The authorisation is valid until the start of Municipal Finance's following AGM. Under the recommendation of the ECB, the Board of Directors intends, on the basis of this authorisation, to refrain from deciding on the payment of dividend until 30 September 2021.

Major bond holdings by issuers ²⁶

31 Dec 2020	Book value, i.e. fair value	Acquisition value
Issuer	EUR	EUR
German Government	1 245 848 871,62	1 172 043 908,77
Finnish Government	637 172 341,78	601 957 850,00
Dutch Government	463 360 945,97	425 294 375,00
French Government	259 845 061,66	247 603 161,37
BPCE SA	190 580 522,94	182 252 320,00
Belgian Government	160 591 930,83	143 984 966,67
Societe Generale SA	152 888 195,80	147 856 360,00
DNB Boligkredit AS	143 222 549,31	137 488 840,00
European Union	107 593 756,99	105 743 240,00
Municipal Finance plc	104 347 643,84	100 000 000,00
Skandinaviska Enskilda Banken AB	103 746 175,09	100 458 510,00
Cie Finacement Foncier SA	102 275 728,77	98 749 910,00
Caisse Francaise de Financement Local	100 949 637,95	94 677 800,00
Austrian Government	95 550 613,70	84 189 000,00
Dexia Credit Local	88 979 308,15	85 717 560,00
Crédit Agricole Corporate and Investment Bank	85 285 405,53	81 825 850,00
OP Yrityspankki Oyj	83 771 044,39	80 681 950,00
Unicredit Bank AG	82 145 709,59	79 705 860,00
Banco Santander SA	77 189 388,69	75 627 988,00
Corp Andina de Fomento	75 686 935,25	74 869 650,00
European Investment Bank	72 441 805,48	69 826 900,00
Bank of Nova Scotia	72 153 888,66	69 576 150,00
AXA SA	69 660 252,74	65 327 050,00
Babson Euro CLO BV	68 577 564,13	73 907 565,00
Nordea Mortgage Bank PLC	68 493 983,84	65 830 520,00
Citycon Oyj	64 768 565,65	63 758 520,00
TVO Teollisuuden voima Oyj	62 906 342,41	63 281 570,00
Crédit Mutuel-CIC Home Loan SFH	59 582 889,32	56 829 180,00
Leaseplan Corporation NV	59 327 329,98	56 384 260,00
Jubilee CLO 2014-XIV BV	58 757 858,13	61 686 000,00
Sato-Yhtymä Oyj	56 195 986,94	54 733 039,95
Swedbank AB	55 268 646,83	55 945 701,49
ING Bank NV	54 884 151,51	52 695 790,00
FCA Bank SpA of Ireland	54 715 914,79	53 813 020,00
Oak Hill Advisors (Europe) LLP	54 605 259,24	54 875 000,00
Royal Bank Of Canada Plc	53 189 216,85	51 809 300,00
OP Mortgage Bank	51 794 432,20	50 028 600,00
Rabobank Group	51 472 711,54	50 000 000,00
RCI Banque SA	51 355 616,83	49 849 850,00
Caisse de Refinancement de l'Habitat SA	48 928 283,90	48 067 950,00
Capital Four CLO I DAC	48 907 724,31	49 790 000,00
Akelius Residential AB	48 633 001,51	46 759 080,00
Telecom Italia SpA	47 635 530,82	44 788 500,00
Nykredit Bank A/S	45 122 887,07	42 977 120,00
Svenska Handelsbanken AB	44 027 345,64	43 518 504,49

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31 Dec 2020 Issuer	Book value, i.e. fair value EUR	Acquisition value EUR
Neste Oyj	43 300 431,04	41 777 846,00
Santander UK PLC	42 521 429,49	41 318 480,00
UNEDIC	41 831 369,86	39 961 498,00
Thulite SA	41 724 444,44	40 000 000,00
Hutchison Telecom SA	41 245 309,59	39 904 400,00
LähiTapiola Keskinäinen Henkivakuutusyhtiö	41 059 995,37	40 408 417,14
Commonwealth Bank of Australia	41 034 054,79	39 760 800,00
British Telecom PLC	39 882 625,48	38 913 210,00
Stadshypotek AB	39 615 812,05	37 946 790,00
The Royal Bank of Scotland Plc	39 095 482,74	37 732 480,00
AXA Home Loan SFH SA	39 051 340,27	37 860 920,00
Fastighets AB Balder	38 331 783,84	36 770 300,00
Jubilee CLO 2014-XII BV	38 139 680,56	44 549 000,00
Polish Government	37 997 480,33	34 933 500,00
CVC Cordatus Loan Funding VIII Limited	37 985 777,78	40 627 000,00
National Australia Bank Ltd	36 974 786,07	35 116 500,00
German Postal Pensions	36 792 617,36	34 666 800,00
DNA Oyj	36 749 644,87	35 274 066,89
AT&T Inc	36 445 173,28	34 858 950,00
Tornator Oyj	36 035 343,15	35 027 620,00
Sparebank 1 Boligkreditt AS	35 984 799,32	34 752 200,00
Islandsbanki HF	35 479 339,63	34 958 400,00
Macquarie Group Ltd	35 145 400,02	33 831 160,00
Dryden 35 Euro CLO BV	35 096 700,00	39 328 000,00
Elia System Operator SA/NV	34 333 882,30	32 376 500,00
Dartry Park CLO Ltd	34 223 536,11	39 205 000,00
Carlyle Global Market Strategies Euro CLO 2014-3 Ltd	33 918 574,37	34 795 500,00
Halcyon Loan Advisors European Funding	33 395 413,34	34 770 890,00
Sampo Oyj	33 098 705,49	29 943 780,00
Aegon NV	32 530 375,89	31 754 880,00
Kojamo Oyj	32 413 459,86	30 863 290,00
FedEx Corporation	31 336 551,56	29 458 699,29
VVO-Yhtymä Oyj	31 261 278,08	29 837 100,00
Vakuutusosakeyhtiö Garantia	30 939 466,44	29 938 650,00
AIB Mortgage Bank	30 849 640,00	28 891 820,00
NN Group NV	30 641 524,59	29 956 800,00
Mondi Finance Plc	30 400 867,26	28 394 520,00
BNP Paribas Issuance B.V	30 179 103,33	30 000 000,00
Banco Bilbao Vizcaya Argentaria SA	29 977 696,97	28 913 290,00
BlueMountain Fuji Management, LLC	29 915 545,15	29 748 250,00
Aqueduct European CLO	29 781 986,10	29 722 100,00
Elisa Oyj	29 540 663,28	27 847 384,00
Volvo AB	29 343 413,60	29 628 534,52
Ellevio AB	28 765 318,25	29 198 475,31
Huhtamäki Oyj	28 637 376,98	27 917 560,00
Tele2 AB	28 127 027,40	24 785 250,00
Aroundtown SA	27 876 328,52	26 358 210,00

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31 Dec 2020	Book value, i.e. fair value	Acquisition value
Issuer	EUR	EUR
Kemira Oyj	27 770 362,05	26 876 060,00
Banque Federative du Credit Mutuel	27 638 981,23	24 827 660,00
Kommunal Landspensjonskasse KLP	27 072 292,60	23 820 450,00
Pohjolan Voima Oyj	26 598 427,88	26 561 212,00
Ahlstrom Oyj	26 515 631,82	26 260 730,00
Jyske Bank AS	26 403 406,03	25 906 140,00
China Development Bank	25 586 988,39	24 674 500,00
Korea Development Bank	25 468 390,41	24 948 000,00
SNCF Reseau	25 299 761,64	25 408 000,00
Korea Housing Finance Corporation	25 247 784,15	25 036 250,00
Westpac Banking Corporation	24 871 639,34	23 678 400,00
Tieto Oyj	24 611 479,18	23 867 360,00
BBVA	23 990 558,69	23 853 840,00
	7 760 523 217,78	7 447 091 693,89
Other	1 524 294 300,11	1 188 601 333,67
Total	9 284 817 517,89	8 635 693 027,56

Fixed-income funds ²⁷

31 Dec 2020	Book value, i.e. fair value	Acquisition value
	EUR	EUR
Pimco Distressed Senior Credit Opportunities Fund (DISCO) II	435 385 253,57	127 506 790,46
Pimco Bravo II	66 906 968,46	69 598 547,78
Pimco Bravo	1 554 377,80	4 626 727,27
Whitecroft Core Bank Risk	53 978 643,16	50 391 303,56
Total	557 825 242,99	252 123 369,07

Forex funds ²⁸

31 Dec 2020	Book value, i.e. fair value	Acquisition value
	EUR	EUR
IPM Global Currency Fund	98 839 418,71	104 211 168,46
Total	98 839 418,71	104 211 168,46

OTHER NOTES TO THE FINANCIAL STATEMENTS

Derivative contracts

	31 Dec 2020 EUR	31 Dec 2019 EUR
Equity derivatives		
Forward and future contracts		
Value of underlying instrument	152 650 000	-694 082 369
Positive fair value	1 870 500	508 111
Negative fair value	0	-8 440 756
Total net	1 870 500	-7 932 645
Option contracts		
Value of underlying instrument	14 519 038	2 433 227
Positive fair value	6 850 000	330 000
Negative fair value	-1 577 500	-4 759 404
Total net	5 272 500	-4 429 404
Other equity derivatives		
Value of underlying instrument	274 611 192	238 746 065
Positive fair value	3 815 513	3 658 162
Negative fair value	-8 458 285	-3 257 895
Total net	-4 642 772	400 267
Interest rate derivatives		
Forward and future contracts		
Value of underlying instrument	2 096 435 661	0
Positive fair value	2 095 240	0
Negative fair value	-3 247 530	0
Total net	-1 152 290	0
Option contracts		
Value of underlying instrument	37 883 862	88 189 432
Positive fair value	39 486 081	91 328 853
Negative fair value	-1 602 219	-3 139 421
Total net	37 883 862	88 189 432
Interest rate swaps		
Value of underlying instrument	174 200 000	537 300 000
Positive fair value	106 638 053	153 064 270
Negative fair value	-83 921 780	-104 531 704
Total net	22 716 273	48 532 566
Credit risk swaps		
Value of underlying instrument	1 417 353 296	1 080 123 910
Positive fair value	0	0
Negative fair value	0	0
Total net	0	0

Continued on the next page

	31 Dec 2020 EUR	31 Dec 2019 EUR
Forex derivatives		
Forward contracts		
Value of underlying instrument	4 611 628 694	11 948 057 833
Positive fair value	54 323 056	95 201 716
Negative fair value	-6 528 248	-16 443 689
Total net	47 794 808	78 758 027
Option contracts		
Purchased		
Value of underlying instrument	9 142 453 058	2 318 872 158
Positive fair value	343 802 867	58 222 694
Negative fair value	-26 139	0
Total net	343 776 728	58 222 694
Option contracts		
Written		
Value of underlying instrument	-4 083 926 415	-451 429 925
Positive fair value	36 107	0
Negative fair value	-139 038 345	-16 423 828
Total net	-139 002 239	-16 423 828
Commodity derivatives		
Value of underlying instrument	0	0
Positive fair value	0	0
Negative fair value	0	0
Total net	0	0

Liabilities

	31 Dec 2020 EUR	31 Dec 2019 EUR
Securities lending		
<p>Loaned securities are included in the balance sheet. The counterparty to the lending operations is the custodian bank, State Street Bank & Trust Company, with which borrowers place collateral. The collateral for the loans comprises cash or securities pledged to the counterparty. The collateral covers the changes in the value of securities being loaned and they may be used in situations where the transfer of loans is delayed. Securities loans can be interrupted at any time. The average maturity of the loans was 28 days in 2020.</p>		
Equities		
Fair value	0,00	253 217 379,12
Bonds		
Fair value	0,00	2 932 903 827,41
Investment commitments		
<p>Binding contracts that have not yet been drawn, but to which commitment has been made through valid contracts.</p>		
Private equity funds	5 212 232 648,72	4 756 290 409,05
Silent partner's private equity investment	4 834 797,94	5 837 894,03
Real estate investment funds	961 069 165,14	938 369 476,61
Real estate investments in subsidiaries and associated companies	79 889 316,73	40 399 882,43
Rent liabilities		
Under 1 year	0,00	738 174,90
1–5 years	0,00	0,00
Other liabilities	755 615,99	1 269 050,56
Collateral given on own behalf		
Collateral for derivatives transactions		
Financial contribution	0,00	0,00
Cash collateral	90 850 363,89	66 940 862,20

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 2019 as well as the sum of wages and salaries and pension expenditure information from 2020. With regard to unpaid periods, the calculation is based on the forecast of pension expenditure and earnings accrued by the end of 2020 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. Changes in the database 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 2020	31 Dec 2019
EUR	EUR
130 000 000 000,00	126 000 000 000,00

Key indicators

	2020	2019	2018	2017	2016
Sum of wages and salaries of Keva member organisations, €m	18 487	18 126	17 410	16 844	16 888
Contribution income from Keva member organisations, €m	5 252	5 127	4 920	4 793	4 966
Number of insured Keva member organisation employees at 31 Dec*	538 567	544 942	535 000	528 000	519 000
Number of Keva member organisation pension recipients at 31 Dec	418 696	413 084	406 286	398 000	387 000
Keva member organisation pensions paid, €m	5 728	5 488	5 230	5 005	4 754
Investments at fair value at 31 Dec, €m	58 009	56 166	50 129	51 871	48 524
Return on investments at fair value	4,7 %	12,8 %	-3,0 %	7,7 %	7,4 %
Annual real return on investments since funding started in 1988 (capital weighted)**	4,0 %	4,0 %	3,8 %	4,3 %	4,2 %
Annual real return on investments since funding started in 1988 (not capital weighted)**	5,2 %	5,2 %	5,1 %	5,5 %	5,4 %
Operating costs, €m	76,6	82,2	74,9	76,1	73,7
Permanent personnel at 31 Dec	496	513	515	519	520
Number of State pension recipients at 31 Dec	242 145	246 874	251 505	256 000	259 000
State pensions paid, €m***	4 857	4 761	4 675	4 597	4 502
Number of Evangelical Lutheran Church pension recipients at 31 Dec	19 509	19 469	19 250	19 000	18 700
Evangelical Lutheran Church pensions paid, €m***	217	212	204	196	188
Number of Social Insurance Institution of Finland Kela pension recipients at 31 Dec	5 958	5 942	5 945	6 000	5 900
Social Insurance Institution of Finland Kela pensions paid, €m***	106	105	102	99	96

* Due to the Incomes Register and new reporting practice in employment relationships, there is a break in the time series between 2018 and 2019.

* The principles of calculating the insured were updated in 2020: zero-earning insured persons not in employment or service are excluded. The reference year 2019 has been calculated retrospectively using the updated principles.

** The figure for 2019 has been reviewed.

***These payments have no impact through profit and loss on Keva's financial statements.

Investment allocation (at fair value)

	2020		2019		2018		2017		2016	
	€m	%	€m	%	€m	%	€m	%	€m	%
Loans receivable	100,4	0,2	123,6	0,2	154,9	0,3	315,0	0,7	386,1	0,9
Bonds	16 215,0	30,2	17 442,9	32,7	17 354,1	36,5	16 993,7	35,8	16 759,8	37,7
Short-term investments	38,5	0,1	664,3	1,2	574,1	1,2	403,4	0,8	679,0	1,5
Equities and equity funds	22 920,8	42,7	21 657,6	40,7	17 570,9	37,0	19 599,0	41,2	17 408,4	39,2
Private equity and Hedge funds	10 721,3	20,0	9 769,6	18,3	8 487,7	17,9	6 911,8	14,5	6 146,6	13,8
Real estate	3 739,0	7,0	3 613,7	6,8	3 356,5	7,1	3 297,0	6,9	3 041,7	6,8
Total investments	53 735,0	100,0	53 271,7	100,0	47 498,2	100,0	47 520,0	100,0	44 421,6	100,0
Accumulated interest	56,7		77,6		107,1		91,2		93,5	
Other items	4 217,1		2 816,7		2 523,6		4 259,6		4 008,8	
Investments used in calculating returns	58 008,8		56 166,0		50 128,8		51 870,8		48 523,8	

Net investment income on capital employed (at fair value)

	2020		2019		2018		2017		2016	
	Net income market value €m	Capital employed €m	Return on capital employed, %	Return on capital employed, %	Return on capital employed, %	Return on capital employed, %	Return on capital employed, %	Return on capital employed, %	Return on capital employed, %	
Total fixed income investments	313,7	20 626,4	1,5	6,6	-1,6	1,8	6,5			
Loans receivable	0,3	115,5	0,3	0,9	0,7	0,7	0,7			
Bonds	337,7	16 433,6	2,1	7,8	-2,0	2,6	8,8			
Other money market instruments and deposits	-24,2	4 077,3	-0,6	0,1	-0,2	-0,5	-0,5			
Total equity investments	2 207,2	27 450,1	8,0	20,6	-6,0	14,3	9,6			
Listed equities	1 493,3	21 297,7	7,0	23,4	-10,4	14,5	8,8			
Private equity investments	478,3	5 547,7	8,6	11,2	16,5	11,2	14,6			
Unlisted equities	235,5	604,6	39,0	10,3	13,5	22,1	14,2			
Total real estate investments	26,9	3 650,0	0,7	7,3	7,0	7,9	5,0			
Direct real estate investments	50,6	2 725,3	1,9	7,5	5,6	6,9	4,6			
Real estate investment funds and co-investments	-23,7	924,7	-2,6	6,7	11,2	10,8	6,2			
Other investments	104,6	3 735,8	2,8	4,7	0,3	5,7	3,6			
Hedge fund investments	104,6	3 735,8	2,8	4,7	0,3	5,7	3,6			
Commodity investments										
Total investments	2 652,4	55 462,3	4,8	12,8	-2,9	7,7	7,5			
Income, expenses and business expenses not allocated to investment types	-20,5		0,0	0,0	0,0	0,0	0,0			
Net investment income at fair value	2 631,9	55 462,3	4,7	12,8	-3,0	7,7	7,4			

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

Return on investment assets and risk figures

	Market value		Distribution by risk		Return	Risk	
	€m	%	€m	%	%	Volatility %	Mod.duration
Fixed income investments	20 759,3	35,8	24 170,4	41,7	1,5		
Loans receivable	100,8	0,2	100,8	0,2	0,3		
Bonds	16 110,1	27,8	19 491,4	33,6	2,1	6,8	7,3
Public sector bonds	5 285,3	9,1	7 319,7	12,6	7,5		
Other corporation bonds	10 824,8	18,7	12 171,7	21,0	-0,6		
Other money market instruments and deposits	4 548,4	7,8	4 578,2	7,9	-0,6		
Equity investments	30 024,8	51,8	30 464,7	52,5	8,0	18,6	
Listed equities	22 871,1	39,4	23 311,0	40,2	7,0		
Private equity investments	6 249,9	10,8	6 249,9	10,8	8,6		
Unlisted equities	903,8	1,6	903,8	1,6	39,0		
Real estate investments	3 691,1	6,4	3 691,1	6,4	0,7		
Direct real estate investments	2 765,2	4,8	2 765,2	4,8	1,9		
Real estate investment funds	925,9	1,6	925,9	1,6	-2,6		
Other investments	3 533,7	6,1	3 533,7	6,1	2,8	6,8	
Hedge funds	3 533,7	6,1	3 533,7	6,1	2,8		
Commodity investments							
Other investments							
Total investments			61 859,9	106,6			
Effect of derivatives			-3 851,1	-6,6			
Total investments*	58 008,8	100	58 008,8	100	4,7	9,5	

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, 2 March 2021

Minna Arve, Chairperson

Saku Linnamurto

Kari Nenonen, Deputy chair

Kirsi-Marja Lievonen

Ilkka Nokelainen

Markus Lohi

Mika Juutinen

Olli Luukkainen

Heli Järvinen

Päivi Niemi-Laine

Else-Mai Kirvesniemi

Timo Kietäväinen

AUDITOR'S NOTATION

A report on the audit performed has been submitted today.

Helsinki, 2 March 2021

Ernst & Young Oy
Authorised public accountant firm

Ulla Nykky
Authorised public accountant

AUDITOR'S REPORT

To Keva's Councillors

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 2020. 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 company'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.

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

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 company'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 company 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 judgment 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 company'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 company'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 company 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

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 2 March 2021

Ernst & Young Oy
Authorised Public Accountant Firm

Ulla Nykky
Authorised Public Accountant

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