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# 1 Profit and loss account 1 Jan.–31 Dec. 2013

	2013		2012	
	EUR		EUR	
<b>Contribution income</b>				
Local government pension contributions <sup>1)</sup>		4,889,990,879.81		4,695,636,217.95
Unemployment Insurance Fund insurance contribution		154,094,914.03		124,930,414.86
Financial support		5,643,422.30		4,887,502.23
		<b>5,049,729,216.14</b>		<b>4,825,454,135.04</b>
<b>Pension expenditure</b>				
Local government pension expenditure <sup>2)</sup>		-4,116,572,492.79		-3,825,674,952.91
Adjustments to pension expenditure <sup>3)</sup>		-7,177,607.46		14,899,256.43
Financial support		-5,540,179.32		-4,782,642.54
Rehabilitation		-12,116,074.72		-10,953,117.75
		<b>-4,141,406,354.29</b>		<b>-3,826,511,456.77</b>
<b>NET INCOME FROM FINANCIAL OPERATIONS</b>		<b>908,322,861.85</b>		<b>998,942,678.27</b>
<b>Net investment income <sup>7)</sup></b>		<b>2,628,536,835.69</b>		<b>3,896,596,038.59</b>
<b>NET INCOME FROM FINANCIAL OPERATIONS AND INVESTMENTS</b>		<b>3,536,859,697.54</b>		<b>4,895,538,716.86</b>
<b>Statutory net payments</b>				
Statutory payments	-9,340,121.33		-5,701,328.95	
Payments received <sup>10)</sup>	<u>2,752,408.96</u>	<b>-6,587,712.37</b>	<u>561,158.93</u>	<b>-5,140,170.02</b>
<b>Net operating costs</b>				
<b>Operating costs</b>				
Personnel <sup>8), 9)</sup>	-39,850,525.16		-37,344,931.13	
Other operating costs <sup>9)</sup>	<u>-54,774,273.13</u>		<u>-52,448,460.45</u>	
	<b>-94,624,798.29</b>		<b>-89,793,391.58</b>	
<b>Depreciation <sup>9)</sup></b>	<b>-6,548,162.63</b>		<b>-5,482,811.36</b>	
<b>Payments received <sup>9), 10)</sup></b>	<b>25,829,014.86</b>	<b>-75,343,946.06</b>	<b>25,987,911.52</b>	<b>-69,288,291.42</b>
<b>Other income and expenses</b>		<b>-228,256.88</b>		<b>-472,822.72</b>
<b>FUNDED RESULT</b>		<b>3,454,699,782.23</b>		<b>4,820,637,432.70</b>
<b>Decrease/increase (-) in pension liability fund</b>		<b>-3,454,699,782.23</b>		<b>-4,820,637,432.70</b>
<b>RESULT</b>		<b>0.00</b>		<b>0.00</b>

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

## 2 Balance Sheet 31 Dec. 2013

ASSETS	2013 EUR	2012 EUR
<b>Intangible assets</b>		
Intangible rights <sup>12)</sup>	37,999,847.79	41,955,434.94
<b>Investments</b>		
Real estate investments		
Real estate and shares in real estate <sup>11)</sup>	2,588,233,204.95	2,508,833,336.00
Loan receivables from subsidiary and associated companies <sup>13), 19)</sup>	225,639,659.05	242,757,611.44
	<b>2,813,872,864.00</b>	<b>2,751,590,947.44</b>
Other investments		
Equities and shares <sup>11)</sup>	18,165,468,629.04	15,605,298,378.48
Money market instruments <sup>11)</sup>	14,901,665,055.21	14,461,982,673.95
Loan receivables <sup>13)</sup>	622,107,979.89	709,379,676.10
	<b>33,689,241,664.14</b>	<b>30,776,660,728.53</b>
<b>Total investments <sup>11)</sup></b>	<b>36,503,114,528.14</b>	<b>33,528,251,675.97</b>
<b>Receivables</b>		
Contribution income claims	404,381,697.27	382,520,143.71
Receivables from subsidiary and associated companies	3,142,190.04	10,055,846.76
Other receivables <sup>14)</sup>	18,859,910.92	13,069,109.89
	<b>426,383,798.23</b>	<b>405,645,100.36</b>
<b>Other assets</b>		
Machinery and equipment <sup>12)</sup>	4,131,925.20	4,691,770.36
Other <sup>12)</sup>	2,603,690.55	2,362,288.95
Cash at bank and in hand	1,352,147,312.31	844,518,778.33
	<b>1,358,882,928.06</b>	<b>851,572,837.64</b>
<b>Accrued income and prepayments</b>		
Prepayments <sup>14)</sup>	22,054,206.99	20,331,943.85
Accumulated interest	143,616,320.37	134,837,801.95
Other accrued income <sup>15)</sup>	85,786,736.99	92,303,276.54
	<b>251,457,264.35</b>	<b>247,473,022.34</b>
<b>TOTAL ASSETS</b>	<b>38,577,838,366.57</b>	<b>35,074,898,071.25</b>

## 2 Balance Sheet 31 Dec. 2013

<b>LIABILITIES</b>	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
<b>Pension liability fund <sup>16)</sup></b>	<b>38,201,642,114.22</b>	<b>34,746,942,331.99</b>
<b>Liabilities</b>		
Liabilities to subsidiary and associated companies <sup>19)</sup>	1,316,609.16	1,825,875.42
Other liabilities <sup>17)</sup>	260,648,782.53	217,403,290.35
	<b>261,965,391.69</b>	<b>219,229,165.77</b>
<b>Accrued liabilities and deferred income</b>		
Accrued liabilities and deferred income <sup>18)</sup>	96,529,580.02	91,580,777.39
Deferred income	17,701,280.64	17,145,796.10
	<b>114,230,860.66</b>	<b>108,726,573.49</b>
<b>TOTAL LIABILITIES</b>	<b>38,577,838,366.57</b>	<b>35,074,898,071.25</b>

### 3 Source and application of funds 2013

	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
Pension liability fund, decrease/increase	3,454,699,782.23	4,819,858,842.70
Adjustments:		
Changes in valuation	-221,352,856.65	-3,067,218,048.27
Depreciation	6,548,162.63	5,482,811.36
Profit/loss from sales	-1,473,441,673.36	-402,096,993.02
Cash flow before change in working capital	1,766,453,414.85	1,356,026,612.77
Decrease(+)/increase(-) in receivables	-24,722,939.88	-3,884,565.83
Increase(+)/decrease(-) in liabilities	37,996,293.74	50,682,837.43
<b>Cash flow from business operations</b>	<b>1,779,726,768.71</b>	<b>1,402,824,884.37</b>
Assets bought (excl. cash assets)	1,269,824,102.81	1,148,564,299.95
Investments in intangible and tangible assets and other assets, and income from disposals	2,274,131.92	7,291,944.45
<b>Cash flow from investments</b>	<b>1,272,098,234.73</b>	<b>1,155,856,243.80</b>
<b>Change in cash assets</b>	<b>507,628,533.98</b>	<b>246,968,640.57</b>
Cash at bank and in hand 1 Jan.	844,518,778.33	597,550,137.76
Cash at bank and in hand 31 Dec.	1,352,147,312.31	844,518,778.33
<b>Change</b>	<b>507,628,533.98</b>	<b>246,968,640.57</b>

## 4 Accounting principles

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

### 4.1 Consolidated Financial Statements

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

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

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

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

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

### 4.3 Contribution income and pensions

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



difference between the pay-based advance and final contributions in the previous year.

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

The transfer of the assets required for paying state pensions has been decided in Section 1 of the Decree by the Council of State (784/2010). The transfer of the assets required for paying Evangelic-Lutheran Church and Social Insurance Institution Kela personnel pensions has been decided in Section 1 of the Decree by the Council of State (1299/2011). These payments have no impact on the result presented in Keva's financial statements. A breakdown of the gross pensions payments are presented in the notes to the financial statements.

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

#### 4.4 Valuation of investments

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

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

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

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

price. The latest notification by the management company of the value of a fund unit is used as the market value of a mutual fund.

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

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

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

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

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

#### 4.6 Securities lending

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

#### 4.7 Financial collateral

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

#### 4.8 Return on investments

The return percentage on investments in relation to the tied capital is calculated separately for each type of investment and for the aggregate amount of investments, taking into consideration the cash flows time-weighted daily or monthly. The calculation uses the modified time- and money-weighted Dietz formula, in which the tied capital is calculated by adding the cash flows during the period to the market value at the beginning

of the period weighted by the relative share of the length of the entire period that is left from the event date or half-way through the event month to the end of the period.

#### 4.9 Valuation of assets other than investments

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

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

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

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

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

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

#### 4.11 Planned depreciation

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

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

#### 4.12 Foreign currency items

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

#### 4.13 Rental leasing agreements

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

#### 4.14 Operating costs and depreciation

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

#### 4.15 Payments for pension services provided

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

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

#### 4.16 Personnel pension security

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

## 5 Notes to the profit and loss account

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

<b>Contribution type</b>	<b>2013 EUR</b>	<b>2012 EUR</b>
Pay-based contributions		
employers' contribution	2,718,821,331.03	2,635,859,629.10
employees' contribution	921,883,668.11	898,488,319.40
	<u>3,640,704,999.14</u>	<u>3,534,347,948.50</u>
Pension-expenditure-based contributions	1,098,000,000.00	1,001,000,000.00
Early-retirement-pension-expenditure-based contributions	151,000,000.00	160,000,000.00
<b>Total local government pension contributions for the year</b>	<b>4,889,704,999.14</b>	<b>4,695,347,948.50</b>
Total adjustments for previous years	285,880.67	288,269.45
<b>Total local government pension contributions</b>	<b>4,889,990,879.81</b>	<b>4,695,636,217.95</b>

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

<b>Pension benefit</b>	<b>2013 EUR</b>	<b>2012 EUR</b>
Old-age pension	3,298,214,004.54	3,009,302,046.54
Early old-age pension	132,034,336.53	124,047,008.33
Disability pension	400,598,973.99	398,349,190.64
Individual early retirement pension	4,859.64	9,661.11
Unemployment pension	474,586.50	8,121,344.19
Survivors' pension	180,143,196.60	175,903,684.22
Part-time pension	60,305,410.07	66,940,688.45
Cash rehabilitation benefit	44,089,622.18	41,375,881.92
Rehabilitation increment	635,714.20	701,578.62
	<b>4,116,500,704.25</b>	<b>3,824,751,084.02</b>
Contributions payable to the State		777,120.00
		3,825,528,204.02
Compensation for transfer of EU pensions	71,788.54	146,748.89
<b>Total</b>	<b>4,116,572,492.79</b>	<b>3,825,674,952.91</b>

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

	<b>2013 EUR</b>	<b>2012 EUR</b>
State Treasury compensation for pensions based on special legislation		12,433,920.00
Returned pensions	3,348,143.08	2,906,571.60
Other adjustments	-10,525,750.54	-441,235.17
<b>Total</b>	<b>-7,177,607.46</b>	<b>14,899,256.43</b>

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

	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
<b>Pension benefit</b>		
Old-age pension	3,350,088,891.63	3,187,100,167.41
Early old-age pension	119,674,030.00	116,691,116.99
Disability pension	152,685,515.21	162,865,183.28
Individual early retirement pension	0.00	488.67
Part-time pension	21,989,149.88	24,856,770.85
Unemployment pension	560,059.20	3,857,028.51
Survivors' pension	330,463,627.76	327,454,084.76
Rehabilitation allowance	1,669,577.22	1,633,669.56
Rehabilitation increment	71,787.00	64,043.85
Cash rehabilitation benefit	9,868,848.51	9,231,741.15
Compensation for rehabilitation and expenses	123,235.04	113,688.71
<b>Total</b>	<b>3,987,194,721.45</b>	<b>3,833,867,983.74</b>
<b>Payments and refunds of cost division (net) <sup>1)</sup></b>	<b>239,208,874.85</b>	<b>0.00</b>
<b>Total expenditure</b>	<b>4,226,403,596.30</b>	<b>3,833,867,983.74</b>
<b>Income</b>		
Advance payments received	-4,246,507,932.00	-3,863,790,000.00
Excessive advance payments returned	20,104,335.70	29,922,016.26
<b>Total income</b>	<b>-4,226,403,596.30</b>	<b>-3,833,867,983.74</b>
<b>Impact on Keva's result</b>	<b>0.00</b>	<b>0.00</b>

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

## 5.5 Evangelical Lutheran Church pensions <sup>5)</sup>

	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
<b>Expenditure by pension benefit</b>		
Old-age pension	150,793,683.89	137,171,300.62
Early old-age pension	8,519,160.42	8,187,414.22
Disability pension	11,545,264.76	11,250,815.65
Extra pension	21,253.44	20,709.97
Part-time pension	1,516,501.71	1,763,733.45
Unemployment pension	29,755.38	79,253.67
Survivors' pension	10,139,750.21	10,057,660.28
Rehabilitation allowance	280,656.72	183,012.95
Rehabilitation increment	28,085.32	18,598.16
Cash rehabilitation benefit	1,592,725.32	1,555,792.78
Compensation for rehabilitation and expenses	36,321.45	28,737.05
<b>Total</b>	<b>184,503,158.62</b>	<b>170,317,028.80</b>
<b>Payments and refunds of cost divisions (net) <sup>1)</sup></b>	<b>-18,159,788.35</b>	<b>0.00</b>
<b>Total expenditure</b>	<b>166,343,370.27</b>	<b>170,317,028.80</b>
<b>Income</b>		
Advance payments received	-167,932,404.00	-174,500,004.00
Excessive advance payments returned	1,589,033.73	4,182,975.20
<b>Total income</b>	<b>-166,343,370.27</b>	<b>-170,317,028.80</b>
<b>Impact on Keva's result</b>	<b>0.00</b>	<b>0.00</b>

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



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

	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
<b>Expenditure by pension benefit</b>		
Old-age pension	72,736,525.49	66,251,515.46
Early old-age pension	4,987,540.40	4,883,580.08
Disability pension	3,892,447.39	5,918,950.62
Part-time pension	1,432,436.32	1,578,254.70
Unemployment pension	0.00	8,104.24
Survivors' pension	4,753,390.49	2,990,099.94
Rehabilitation allowance	124,228.00	114,240.79
Rehabilitation increment	7,319.18	13,836.54
Cash rehabilitation benefit	246,689.30	423,057.46
Compensation for rehabilitation and expenses	3,644.85	4,609.19
Compensation for transfer of EU pensions	0.00	3,322.51
<b>Total</b>	<b>88,184,221.42</b>	<b>82,189,571.53</b>
<b>Payments and refunds of cost divisions (net) <sup>1)</sup></b>	<b>-1,788,989.23</b>	<b>0.00</b>
<b>Total expenditure</b>	<b>86,395,232.19</b>	<b>82,189,571.53</b>
<b>Income</b>		
Advance payments received	-88,482,672.00	-83,838,000.00
Excessive advance payments returned	2,087,439.81	1,648,428.47
<b>Total income</b>	<b>-86,395,232.19</b>	<b>-82,189,571.53</b>
<b>Impact on Keva's result</b>	<b>0.00</b>	<b>0.00</b>

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

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

	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
<b>Investment income</b>		
Interest income	257,014,636.26	277,322,678.36
Dividend income	157,332,175.89	171,330,628.48
Real estate income	145,992,845.89	140,224,933.54
Sales profit and other income	3,704,003,589.92	2,634,613,886.40
	<b>4,264,343,247.96</b>	<b>3,223,492,126.78</b>
<b>Investment expenses</b>		
Real estate investment expenses	-55,039,985.63	-53,698,557.60
Sales losses and other expenses	-1,802,119,283.29	-2,340,415,578.86
	<b>-1,857,159,268.92</b>	<b>-2,394,114,136.46</b>
<b>Change in valuation items</b>		
Equities and equity funds	1,522,476,312.18	1,440,073,851.35
Bonds	-1,310,453,870.78	1,507,331,515.58
Short-term investments	-101,104.59	163,055.02
Private equity funds	1,838,773.92	2,889,250.82
Hedge funds	62,448,765.49	80,448,939.65
Unlisted equities	0.00	-243,266.04
Real estate	-24,316,844.27	6,679,447.34
Other subsidiary and associated company shares	41,918,297.50	24,572,389.29
Investments in commodities	-72,457,472.80	5,302,865.26
	<b>221,352,856.65</b>	<b>3,067,218,048.27</b>
<b>Net investment income</b>	<b>2,628,536,835.69</b>	<b>3,896,596,038.59</b>

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

	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
Salaries and remunerations *)	30,963,660.94	29,133,815.96
Pension costs	6,107,588.12	5,732,743.01
Other statutory social security expenses	1,593,512.71	1,569,440.11
Voluntary social security expenses	1,185,763.39	908,932.05
	<b>39,850,525.16</b>	<b>37,344,931.13</b>

\*) CEO and Managing Director (until 6 Dec. 2013) Merja Ailus, sum includes EUR 303,581.63 in severance payment

Deputy CEO Pekka Alanen (Acting CEO as of 6 Dec. 2013)

Deputy CEO (as of 21 Jan. 2013) Tapani Hellstén

582,140.06      325,210.91

268,020.59      233,274.49

191,868.38      0.00

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

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

<b>2012</b>	<b>Pensions</b>	<b>Investments</b>	<b>Administration</b>	<b>Total</b>
<b>Type of cost</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Personnel	-20,778,374.11	-5,606,701.20	-10,959,855.82	-37,344,931.13
IT	-25,406,554.00	-2,788,584.12	-2,984,090.18	-31,179,228.30
Purchase of services	-1,837,884.46	-11,732,074.76	-2,199,342.62	-15,769,301.84
Other	-379,332.38	-536,005.96	-4,584,591.97	-5,499,930.31
<b>External expenses</b>	<b>-48,402,144.95</b>	<b>-20,663,366.04</b>	<b>-20,727,880.59</b>	<b>-89,793,391.58</b>
Internal income and expenses	-4,658,085.30	-850,095.47	5,508,180.77	0.00
<b>Total operating costs</b>	<b>-53,060,230.25</b>	<b>-21,513,461.51</b>	<b>-15,219,699.82</b>	<b>-89,793,391.58</b>
Depreciation	-3,170,807.92	-121,728.41	-2,190,275.03	-5,482,811.36
<b>Total operating costs and depreciation</b>	<b>-56,231,038.17</b>	<b>-21,635,189.92</b>	<b>-17,409,974.85</b>	<b>-95,276,202.94</b>
Payments received <sup>10)</sup>	21,136,884.88	0.00	4,851,026.64	25,987,911.52
<b>Net operating costs</b>	<b>-35,094,153.29</b>	<b>-21,635,189.92</b>	<b>-12,558,948.21</b>	<b>-69,288,291.42</b>

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

	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
<b>For statutory payments</b>		
State	2,480,374.42	337,356.93
Evangelical Lutheran Church	188,975.56	157,779.63
Social Insurance Institution (Kela)	83,058.98	66,022.37
	<b>2,752,408.96</b>	<b>561,158.93</b>
<b>For operating costs</b>		
State	21,793,781.31	21,073,197.17
Evangelical Lutheran Church	2,737,532.66	3,337,545.56
Social Insurance Institution (Kela)	757,689.28	1,055,452.16
Others	540,011.61	521,716.63
	<b>25,829,014.86</b>	<b>25,987,911.52</b>
<b>Total payments received</b>	<b>28,581,423.82</b>	<b>26,549,070.45</b>

## 6 Notes to the balance sheet

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

	31.12.2013		31 Dec. 2012	
	Book value i.e. market value EUR	Acquisition cost EUR	Book value i.e. market value EUR	Acquisition cost EUR
<b>Real estate investments</b>				
<b>Owner-occupied</b>				
Land and sites	10,430,571.00	10,430,571.00	10,430,571.00	10,430,571.00
Buildings <sup>*)</sup>	32,234,659.79	32,234,659.79	33,431,522.82	33,431,522.82
	<b>42,665,230.79</b>	<b>42,665,230.79</b>	<b>43,862,093.82</b>	<b>43,862,093.82</b>
<b>Investments in real estate</b>				
Land and sites	3,709,898.00	3,709,898.00	3,709,898.00	3,709,898.00
Buildings <sup>*)</sup>	193,106.76	193,106.76	201,765.08	201,765.08
Real estate shares	1,847,194,557.08	1,800,924,900.79	1,770,278,878.38	1,690,792,720.15
Other real estate investments	694,470,412.32	797,719,971.21	690,780,700.72	802,929,917.28
	<b>2,545,567,974.16</b>	<b>2,602,547,876.76</b>	<b>2,464,971,242.18</b>	<b>2,497,634,300.51</b>
<b>Real estate and shares in real estate</b>	<b>2,588,233,204.95</b>	<b>2,645,213,107.55</b>	<b>2,508,833,336.00</b>	<b>2,541,496,394.33</b>
<b>Loans receivable from real estate companies</b>	225,639,659.05	225,639,659.05	242,757,611.44	242,757,611.44
<b>Total real estate investments</b>	<b>2,813,872,864.00</b>	<b>2,870,852,766.60</b>	<b>2,751,590,947.44</b>	<b>2,784,254,005.77</b>
<b>Other investments</b>				
<b>Equities and shares</b>				
Equities	4,931,377,196.40	4,023,466,755.72	4,439,509,140.77	3,870,839,764.65
Equity funds	9,735,783,493.39	7,191,516,127.39	8,459,515,344.09	7,093,680,279.14
Unlisted equities	518,022.00	3,396,648.00	518,022.00	3,396,648.00
Private equity funds	1,744,023,369.37	1,774,045,015.26	1,645,410,939.95	1,677,135,934.47
Hedge funds	1,490,439,091.04	1,296,433,035.09	773,931,484.86	642,291,235.33
Investments in commodities	139,186,692.53	190,995,397.00	204,192,000.00	190,995,397.00
Other shares and holdings in subsidiary and associated companies	124,140,764.31	24,642,912.61	82,221,446.81	24,641,892.61
	<b>18,165,468,629.04</b>	<b>14,504,495,891.07</b>	<b>15,605,298,378.48</b>	<b>13,502,981,151.20</b>
<b>Money market instruments</b>				
Bonds	9,096,005,997.06	8,800,261,119.28	8,678,067,526.90	7,765,944,852.50
Fixed-income funds	4,773,431,535.46	4,153,865,000.94	4,969,999,981.56	3,660,126,049.25
Foreign currency funds	65,815,109.26	50,298,999.74	161,300,708.65	149,829,307.71
Money market investments	966,412,413.43	966,390,135.45	652,614,456.84	652,491,074.27
	<b>14,901,665,055.21</b>	<b>13,970,815,255.41</b>	<b>14,461,982,673.95</b>	<b>12,228,391,283.73</b>
<b>Loans receivable from other than real estate companies</b>	622,107,979.89	622,107,979.89	709,379,676.10	709,379,676.10
<b>Total other investments</b>	<b>33,689,241,664.14</b>	<b>29,097,419,126.37</b>	<b>30,776,660,728.53</b>	<b>26,440,752,111.03</b>
<b>Total investments</b>	<b>36,503,114,528.14</b>	<b>31,968,271,892.97</b>	<b>33,528,251,675.97</b>	<b>29,225,006,116.80</b>
*) The acquisition cost minus depreciation has been used as the acquisition cost.				
	<b>2013</b>		<b>2012</b>	
Valuation difference between market value and acquisition cost	4,534,842,635.17		4,303,245,559.17	
Negative valuation difference of derivatives	-48,622,426.75		-42,029,907.05	
<b>Total valuation difference</b>	<b>4,486,220,208.42</b>		<b>4,261,215,652.12</b>	

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

	Intangible rights *) EUR	Land areas own use**) EUR	Buildings in buildings *) EUR	IT hardware EUR	Machinery and equipment EUR	Other EUR	Total EUR
Completed 1 Jan. 2013	30,866,871.81	10,430,571.00	33,431,522.82	1,365,090.34	1,980,338.43	2,362,288.95	80,436,683.35
In progress 1 Jan. 2013	11,088,563.13			1,346,341.59			12,434,904.72
<b>Balance 1 Jan. 2013</b>	<b>41,955,434.94</b>	<b>10,430,571.00</b>	<b>33,431,522.82</b>	<b>2,711,431.93</b>	<b>1,980,338.43</b>	<b>2,362,288.95</b>	<b>92,871,588.07</b>
<b>Changes in 2013</b>							
Completed investments	7,180,183.02			1,396,215.38	364,213.93	241,401.60	9,182,013.93
Investments in progress	4,008,972.32			180,402.99			4,189,375.31
Transfer from investments in progress to completed	-4,102,125.94			-1,396,215.38			-5,498,341.32
Sales	-6,758,149.02				-37,630.01		-6,795,779.03
Planned depreciation	-4,284,467.53		-1,196,863.03	-570,304.09	-496,527.98		-6,548,162.63
<b>Change for the year</b>	<b>-3,955,587.15</b>		<b>-1,196,863.03</b>	<b>-389,901.10</b>	<b>-169,944.06</b>	<b>241,401.60</b>	<b>-5,470,893.74</b>
Completed 31 Dec. 2013	33,762,587.30	10,430,571.00	32,234,659.79	2,191,001.63	1,810,394.37	2,603,690.55	83,032,904.64
In progress 31 Dec. 2013	4,237,260.49			130,529.20			4,367,789.69
<b>Balance 31 Dec. 2013</b>	<b>37,999,847.79</b>	<b>10,430,571.00</b>	<b>32,234,659.79</b>	<b>2,321,530.83</b>	<b>1,810,394.37</b>	<b>2,603,690.55</b>	<b>87,400,694.33</b>

\*) long-term IT expenses

\*\*) included in the balance sheet's real estate investments item

## 6.3 Loans by debtor <sup>13)</sup>

Debtors	31.12.2013		31 Dec. 2012	
	Book value EUR	%	Book value EUR	%
<b>Subsidiary, associated and real estate companies</b>	<b>225,639,659.05</b>	<b>27</b>	<b>242,757,611.44</b>	<b>25</b>
<b>Other</b>				
Cities	177,874,572.83	21	210,264,678.42	22
Municipalities	100,849,091.40	12	130,764,228.48	14
Joint municipal boards	60,796,287.15	7	65,796,703.94	7
Public companies	19,757,009.50	2	119,438,236.26	13
Private companies	104,343,381.72	12	120,670,931.40	13
Åland	25,000.00	0	18,237,133.08	2
Housing corporations	21,556,717.01	3	21,860,179.85	2
Other financial institutions	115,591,932.27	14	30,000.00	0
Other non-profit organisations	12,923,413.07	2	15,066,661.10	2
Other	8,390,574.94	1	7,250,923.57	1
	<b>622,107,979.89</b>	<b>73</b>	<b>709,379,676.10</b>	<b>75</b>
<b>Total loan portfolio</b>	<b>847,747,638.94</b>	<b>100</b>	<b>952,137,287.54</b>	<b>100</b>

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

<b>Other receivables</b>	<b>31.12.2013</b>	<b>31 Dec. 2012</b>
	<b>EUR</b>	<b>EUR</b>
Interest	550,660.32	979,353.61
Rent	531,016.32	394,295.54
Pension	1,244,276.69	1,134,307.69
Withholding tax on dividends	7,978,644.48	6,373,808.36
Sales of securities	7,139,495.96	2,654,755.54
State	4,576.00	4,093.89
Others	1,411,241.15	1,528,495.26
<b>Total other receivables</b>	<b>18,859,910.92</b>	<b>13,069,109.89</b>

<b>Prepayments</b>	<b>31.12.2013</b>	<b>31 Dec. 2012</b>
	<b>EUR</b>	<b>EUR</b>
Balancing payments to Ev. Luth. Church pensions	12,679,053.21	11,962,144.76
Balancing payments to Social Ins. Institution's (Kela) pensions	5,750,232.33	5,503,561.63
Other prepayments	3,624,921.35	2,866,237.46
<b>Total prepayments</b>	<b>22,054,206.89</b>	<b>20,331,943.85</b>

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

	<b>31.12.2013</b>	<b>31 Dec. 2012</b>
	<b>EUR</b>	<b>EUR</b>
State	80,935,571.00	77,844,844.64
Evangelical Lutheran Church	2,951,888.36	3,235,416.39
Social Insurance Institution (Kela)	1,747,706.00	1,676,500.00
Finnish Centre for Pensions		8,718,998.11
AREK		778,590.00
Other	151,571.63	48,927.40
<b>Total other accrued income and prepayments</b>	<b>85,786,736.99</b>	<b>92,303,276.54</b>

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

	<b>2013</b>	<b>2012</b>
	<b>EUR</b>	<b>EUR</b>
Fund capital 1 Jan.	34,746,942,331.99	29,926,304,899.29
Increase	3,454,699,782.23	4,820,637,432.70
<b>Fund capital 31 Dec.</b>	<b>38,201,642,114.22</b>	<b>34,746,942,331.99</b>

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

	<b>31.12.2013</b>	<b>31 Dec. 2012</b>
	<b>EUR</b>	<b>EUR</b>
PAYE and social security contributions	75,576,340.48	66,809,702.88
State/PAYE	82,555,738.07	76,356,866.03
Ev. Luth. Church/PAYE	3,188,919.28	2,845,935.43
Social Ins. Institution/PAYE	1,812,282.87	1,605,565.31
Value added tax	4,205,563.15	2,708,369.25
Trade payables	1,986,688.62	1,039,770.46
Purchases of securities	2,606,012.37	3,050,789.35
Collateral received for derivative contracts	88,158,000.00	62,340,000.00
Other liabilities	559,237.69	646,291.64
<b>Total other liabilities</b>	<b>260,648,782.53</b>	<b>217,403,290.35</b>

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

	<b>31.12.2013</b>	<b>31 Dec. 2012</b>
	<b>EUR</b>	<b>EUR</b>
Negative market value of derivatives	48,622,426.75	42,029,907.05
Liability dispersion Finnish Centre for Pensions (ETK)	9,355,677.67	
Wages, salaries and holiday pay	8,267,000.18	7,958,717.41
State	20,948,924.51	30,876,379.08
Evangelical Lutheran Church	1,612,028.25	4,246,193.62
Social Insurance Institution (Kela)	2,202,336.98	1,796,790.24
Other accrued liabilities and deferred income	5,521,185.68	4,672,789.99
<b>Total accrued liabilities and deferred income</b>	<b>96,529,580.02</b>	<b>91,580,777.39</b>



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

<b>Receivables</b>	<b>31.12.2013</b>	<b>31 Dec. 2012</b>
	<b>EUR</b>	<b>EUR</b>
Loan receivables from subsidiary, associated and real estate companies <sup>1)</sup>	225,639,659.05	242,757,611.44
Capital loans to other real estate companies <sup>1)</sup>	1,509,989.47	1,509,989.47
Other receivables from real estate subsidiary companies <sup>2)</sup>	3,142,190.04	10,055,846.76
Prepayments and accrued income from real estate subsidiary and associated companies <sup>3)</sup>	944,719.34	1,431,063.95
<b>Total receivables</b>	<b>231,236,557.90</b>	<b>255,754,511.62</b>

<b>Liabilities</b>	<b>31.12.2013</b>	<b>31 Dec. 2012</b>
	<b>EUR</b>	<b>EUR</b>
Liabilities to real estate subsidiary and associated companies <sup>4)</sup>	1,316,609.16	1,825,875.42
<b>Total liabilities</b>	<b>1,316,609.16</b>	<b>1,825,875.42</b>

Presented in balance sheet item:

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

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

31.12.2013 Company name	Holding	Book value i.e. market value, EUR	Acquisition cost, EUR
<b>Land areas and buildings for own use</b>			
Unioninkatu 43	100.00%	41,848,446.57	41,848,446.57
Järsö course centre and cottages	100.00%	816,784.22	816,784.22
		<b>42,665,230.79</b>	<b>42,665,230.79</b>
<b>Investments in real estate</b>			
<b>Land areas, sites and buildings</b>			
Albertinkatu 34, site	100.00%	3,500,000.00	3,500,000.00
Laurinlahdenkuja 10	100.00%	403,004.76	403,004.76
<b>Total land areas, sites and buildings</b>		<b>3,903,004.76</b>	<b>3,903,004.76</b>
<b>Real estate shares</b>			
<b>Real estate subsidiary companies</b>			
Asunto Oy Tampereen Pellavanliikka	100.00%	10,500,000.00	8,043,957.50
Kiint. Oy Lintulahdenkulma	100.00%	7,987,000.00	23,942,418.65
Kiinteistö Oy Abraham Wetterintie 6	100.00%	77,311,000.00	95,880,910.13
Kiinteistö Oy Albertinkatu 34	100.00%	21,357,000.00	15,433,166.76
Kiinteistö Oy Aurajoenranta	100.00%	33,847,000.00	24,959,565.22
Kiinteistö Oy Espoon Itsehallintotie 2-4	100.00%	5,823,000.00	8,242,314.32
Kiinteistö Oy Espoon Keilasatama 5	100.00%	48,375,667.65	51,762,615.43
Kiinteistö Oy Espoon Komentajankatu 4	100.00%	3,613,013.89	2,291,116.58
Kiinteistö Oy Espoon Suviiniitty	100.00%	4,651,000.00	5,141,152.65
Kiinteistö Oy Gaselli	100.00%	66,666,000.00	42,600,092.50
Kiinteistö Oy Hatanpään Elisa	100.00%	3,885,000.00	3,339,932.56
Kiinteistö Oy Haukipurontie	100.00%	50,179,000.00	40,160,820.58
Kiinteistö Oy Helsingin Apollonkatu 10	100.00%	17,124,000.00	9,061,442.12
Kiinteistö Oy Helsingin Auringonkehrä	100.00%	13,717,000.00	11,445,677.26
Kiinteistö Oy Helsingin Hämeentie 17 a	100.00%	6,766,738.53	3,951,820.27
Kiinteistö Oy Helsingin Kaivonkatsojantie 8	100.00%	4,680,361.72	3,097,167.45
Kiinteistö Oy Helsingin Kuparitalo	100.00%	23,533,000.00	23,564,712.39
Kiinteistö Oy Helsingin Merikorttikuja 4	100.00%	7,061,000.00	7,403,596.78
Kiinteistö Oy Helsingin Pohjoinen Rautatiekatu 25	100.00%	14,542,000.00	17,795,345.56
Kiinteistö Oy Helsingin Rukkilantie 7-9	100.00%	3,983,000.00	4,191,652.96
Kiinteistö Oy Helsingin Strömberginaukio	100.00%	18,715,000.00	30,914,013.58
Kiinteistö Oy Helsingin Suvilahdenkatu 6	100.00%	6,436,391.16	4,540,735.24
Kiinteistö Oy Helsingin Tapulikaupungintie 11	100.00%	4,602,000.00	4,158,489.83
Kiinteistö Oy Helsingin Tyynenmerenkatu 3	100.00%	23,203,591.42	23,203,591.42
Kiinteistö Oy Helsingin Työpajankatu 13	100.00%	68,493,000.00	51,190,298.39
Kiinteistö Oy Helsingin Valimotie 17-19	100.00%	42,181,000.00	72,600,303.51
Kiinteistö Oy Helsingin Veneentekijänranta	100.00%	6,345,000.00	5,172,079.95
Kiinteistö Oy Hermannin Tuulensuuntori	100.00%	22,158,000.00	26,397,069.52
Kiinteistö Oy Hermian Bitti	100.00%	29,024,000.00	32,806,859.25
Kiinteistö Oy HTC Santa Maria	100.00%	18,442,000.00	22,410,850.14
Kiinteistö Oy HTC Vega	100.00%	30,219,000.00	25,885,992.30
Kiinteistö Oy Hämeenlinnakeskus	100.00%	53,074,303.23	53,074,303.23
Kiinteistö Oy Jokiniementalo	100.00%	8,974,000.00	6,680,794.11
Kiinteistö Oy Jyväskylän Isohovi	100.00%	1,725,000.00	1,346,364.70
Kiinteistö Oy Jyväskylän Schaumanin Puistotie 11	100.00%	3,584,000.00	2,837,202.36
Kiinteistö Oy Kaapelipuisto	100.00%	11,395,000.00	6,651,487.61
Kiinteistö Oy Kaarenmänty	100.00%	2,057,000.00	1,517,825.16
Kiinteistö Oy Kaarenpetäjä	100.00%	2,539,821.89	1,750,537.80
Kiinteistö Oy Kalliokrouvi	100.00%	4,090,000.00	3,766,303.52
Kiinteistö Oy Karanlahti	100.00%	2,074,000.00	4,565,710.35
Kiinteistö Oy Keilarannanpuisto	100.00%	37,151,000.00	56,674,636.06
Kiinteistö Oy Kiirulankulma	100.00%	2,785,000.00	10,506,686.26
Kiinteistö Oy Kipparin Kruunu	100.00%	33,459,000.00	26,869,417.27
Kiinteistö Oy Konalankuja 1-3	100.00%	5,026,000.00	16,019,196.60
Kiinteistö Oy Kotkan Kaivokaari	100.00%	7,437,000.00	6,302,075.15

Kiinteistö Oy Kouvolan Hansakaari	100.00%	2,568,981.08	2,291,074.86
Kiinteistö Oy Kulma-Sarvis	100.00%	14,990,000.00	16,090,780.91
Kiinteistö Oy Kuopion Haapaniemenkatu 18	100.00%	9,965,000.00	9,032,887.59
Kiinteistö Oy Kuopion Kirkkokatu 1	100.00%	3,851,000.00	7,223,582.20
Kiinteistö Oy Kuopion Safiiri	100.00%	8,267,000.00	8,389,277.38
Kiinteistö Oy Kuopion Särkiranta 6	100.00%	2,064,000.00	2,110,421.89
Kiinteistö Oy Kuopion Tulliportinkatu 3	100.00%	2,136,000.00	1,874,490.54
Kiinteistö Oy Käsityöläiskatu 18	100.00%	10,615,000.00	9,426,323.28
Kiinteistö Oy Lahden Laaksokatu 7	100.00%	2,836,000.00	2,344,901.89
Kiinteistö Oy Lahden Rauhankatu 5	100.00%	3,909,834.92	3,532,088.15
Kiinteistö Oy Lakelanportti	100.00%	5,736,000.00	4,214,651.48
Kiinteistö Oy Lappeenrannan Porarinpolku 1	100.00%	2,075,000.00	1,901,934.24
Kiinteistö Oy Lappeenrannan Valtakatu 43	100.00%	4,619,000.00	4,043,227.37
Kiinteistö Oy Lielähtikeskus	100.00%	22,891,579.57	22,891,579.57
Kiinteistö Oy Mastokoukku	100.00%	11,177,000.00	13,025,396.37
Kiinteistö Oy Menuetto	100.00%	34,628,000.00	34,050,231.28
Kiinteistö Oy Oulun Tullipuomi	100.00%	10,655,000.00	8,690,231.14
Kiinteistö Oy Paciuksenkatu 21	100.00%	22,403,000.00	24,399,333.20
Kiinteistö Oy Piispanpuro	100.00%	725,679.66	725,679.66
Kiinteistö Oy Porin Valta-Antti	100.00%	3,440,720.02	2,916,030.61
Kiinteistö Oy Powergate Vaasa	100.00%	6,105,000.00	6,350,364.74
Kiinteistö Oy Quartetto	100.00%	21,698,000.00	29,559,822.88
Kiinteistö Oy Ratinanraitti	100.00%	11,823,000.00	12,729,682.97
Kiinteistö Oy Rauman Kanalinparras	100.00%	3,138,000.00	2,752,329.08
Kiinteistö Oy Riihentausta	100.00%	2,361,000.00	3,468,151.03
Kiinteistö Oy Riihimäen Merkurius	100.00%	1,143,000.00	1,855,953.77
Kiinteistö Oy Rovaniemen Ahjotie 30	100.00%	20,288,000.00	23,159,728.60
Kiinteistö Oy Rovaniemen Pohjanpuistikko	100.00%	15,700,000.00	12,758,706.16
Kiinteistö Oy Ruoholahdenkatu 8	100.00%	13,993,000.00	39,771,995.53
Kiinteistö Oy Seinäjoen Alkionkatu 4	100.00%	1,687,000.00	1,409,197.56
Kiinteistö Oy Seinäjoen Torikatu 21	100.00%	2,389,326.96	2,029,015.40
Kiinteistö Oy Sofianlehdonkadun senioritalo	100.00%	9,962,000.00	7,687,403.47
Kiinteistö Oy Spektrin Kvartti	100.00%	11,169,000.00	16,839,043.51
Kiinteistö Oy Sörnäisten Rantatie 31	100.00%	5,100,000.00	7,674,469.53
Kiinteistö Oy Tampereen Hovi-Sarvis	100.00%	6,868,000.00	5,347,725.71
Kiinteistö Oy Tampereen Hämeenkadunaukio	100.00%	21,209,000.00	15,980,768.70
Kiinteistö Oy Tampereen Ilveshotelli	100.00%	56,101,000.00	41,405,200.22
Kiinteistö Oy Tampereen Tarmontalo	100.00%	9,984,000.00	8,794,211.99
Kiinteistö Oy Tampereen Tullinkulma	100.00%	7,452,000.00	6,163,151.15
Kiinteistö Oy Tirkkosentalo	100.00%	13,022,000.00	9,019,315.27
Kiinteistö Oy Turun Catharina	100.00%	637,000.00	1,741,211.51
Kiinteistö Oy Turun Kaakelinna	100.00%	6,806,000.00	9,738,900.06
Kiinteistö Oy Turun Pakkarinpuisto	100.00%	2,577,000.00	6,684,199.13
Kiinteistö Oy Turun Panimonlinna	100.00%	7,590,000.00	13,427,725.04
Kiinteistö Oy Turun Telakkaranta	100.00%	12,656,000.00	10,962,425.51
Kiinteistö Oy Turun Väinämöinen	100.00%	12,898,000.00	10,596,060.19
Kiinteistö Oy Turun Yliopistonkatu 22	100.00%	18,953,740.33	19,525,883.60
Kiinteistö Oy Tuusulan Kievarinkaari	100.00%	2,694,000.00	2,093,375.36
Kiinteistö Oy Tuusulan Pakkasraitti 2A	100.00%	12,649,167.00	13,202,780.40
Kiinteistö Oy Vaasan Pitkäkatu 52	100.00%	1,657,000.00	1,298,377.65
Kiinteistö Oy Valimotie 15	100.00%	7,453,000.00	23,789,463.13
Kiinteistö Oy Vantaan Hakkilankaari 1	100.00%	17,311,000.00	9,440,691.31
Kiinteistö Oy Vantaan Kielotie 50	100.00%	4,320,000.00	4,383,670.96
Kiinteistö Oy Vantaan Lähettiläentie 7	100.00%	6,822,000.00	6,699,596.98
Kiinteistö Oy Vantaan Myllymäentie 3	100.00%	7,054,000.00	6,149,214.59
Kiinteistö Oy Vantaan Puutarharanta	100.00%	3,468,953.71	2,042,354.52
Kiinteistö Oy Westport	100.00%	22,972,000.00	24,227,239.99
Kiinteistö Oy Väritehtaankatu 4	100.00%	8,821,000.00	4,685,032.40
Oy Kampkiparkki Ab	100.00%	63,291,000.00	60,742,721.09
Kiinteistö Oy Tilkanhovi	99.99%	4,965,000.00	3,398,342.94
Kiinteistö Oy Helsingin Kaarlenkatu 9 -11	99.56%	14,573,000.00	10,966,006.14
Kiinteistö Oy Rekipellonpuisto 1	98.93%	5,734,000.00	7,360,527.42

Kiinteistö Oy Lohjantähti	86.46%	9,912,000.00	31,532,051.86
Kiinteistö Oy Mikonkatu 2 - Pohjoisesplanadi 35	84.18%	47,755,000.00	33,998,967.00
Kiinteistö Oy Kirkkonummen Kunnantalo	81.00%	26,495,000.00	22,697,493.68
Kiinteistö Oy Rukavarri	78.25%	1,243,290.22	1,243,290.22
Kiinteistö Oy Pohjoisesplanadi 37	68.98%	34,968,000.00	24,667,506.42
Kiinteistö Oy Tampereen Hämeenkatu 11	66.59%	13,814,000.00	9,602,100.89
Kiinteistö Oy Helsingin Liisankatu 14	55.87%	14,677,000.00	13,925,957.68
<b>Total real estate subsidiary companies</b>		<b>1,686,305,162.96</b>	<b>1,724,905,829.53</b>
<b>Shares in associated companies</b>			
Asunto Oy Espoon Sellonhuippu	49.00%	7,095,200.00	5,605,993.40
Kiinteistö Oy Kauppakeskus Sello	49.00%	134,344,173.53	56,045,114.59
Leppävaaran HotelliKiinteistö Oy	49.00%	4,984,525.00	2,413,359.28
Kiinteistö Oy Selloparkki	24.81%	490,000.00	3,391,951.86
Kiinteistö Oy Massun Parkki	22.92%	955,153.22	955,153.22
<b>Total associated companies</b>		<b>147,869,051.75</b>	<b>68,411,572.35</b>
<b>Other real estate shares</b>			
Asunto Oy Espoon Sellonkulma	18.38%	7,595,000.00	3,277,451.58
Kiinteistö Oy Kluuvin Pysäköinti	10.10%	1,142,010.53	43,028.53
Asunto Oy Kuusiniementie 6	7.44%	410,550.69	410,550.69
Asunto Oy Mikonkatu 20	5.40%	748,716.73	748,716.73
P-Turkuparkki Oy	4.71%	652,649.04	656,336.00
Asunto Oy Laivastokatu 8-10	3.31%	1,151,631.38	1,151,631.38
Bostadsaktiebolaget Semafor	2.60%	1,319,784.00	1,319,784.00
<b>Total other real estate shares</b>		<b>13,020,342.37</b>	<b>7,607,498.91</b>
<b>Total real estate shares</b>		<b>1,847,194,557.08</b>	<b>1,800,924,900.79</b>
<b>Other real estate investments</b>			
<b>Holdings in real estate funds</b>			
Exilion Real Estate I Ky	37.39%	82,025,329.00	81,500,000.00
Fosca II, SCA	27.48%	56,173,000.00	53,111,075.00
Capman Hotels Real Estate Ky	18.05%	53,990,971.00	54,014,290.58
Rockspring TransEuropean V	14.17%	38,073,768.00	37,500,000.00
Rockspring UK Value Fund, L.P.	10.42%	36,452,136.26	32,795,895.72
AIPP Asia Select	36.01%	35,786,950.18	34,092,606.97
Aberdeen Property Finland I Ky	28.24%	34,665,452.25	39,499,999.99
Franklin Templeton Asian Real Estate Fund	15.00%	34,256,602.86	32,832,725.04
IRUS European Retail Property Fund	6.25%	31,069,361.00	30,000,000.00
CBRE SPE III	6.63%	24,737,094.00	49,325,000.00
AXA DV III	8.50%	21,549,563.75	12,792,636.00
AXA European Logistics	22.08%	21,320,851.40	35,615,380.01
EPI Russia I Ky	27.16%	20,988,440.00	39,185,059.42
Sierra Portugal Fund	16.67%	20,904,180.00	46,144,419.00
EPI HealthCare I Ky	27.50%	20,638,578.00	16,500,000.00
Grosvenor Retail European Properties S.A.	18.60%	19,123,000.00	13,647,758.90
CAPMAN RE II	13.33%	16,507,845.00	14,132,567.05
Grosvenor French Retail Investments S.A	7.41%	16,333,000.00	15,220,646.00
Franklin Templeton European Real Estate Fund	19.09%	15,900,491.00	35,479,237.38
UBS (Lux) Euro Value Added Real Estate Fund	8.04%	6,780,000.00	13,645,200.00
Aberdeen Asia III	30.51%	5,985,401.31	7,390,211.87
		<b>613,262,015.01</b>	<b>694,424,708.93</b>
Others		79,698,407.83	101,785,272.80
<b>Total holdings in real estate funds</b>		<b>692,960,422.84</b>	<b>796,209,981.73</b>
<b>Other real estate investments</b>			
Kiinteistö Oy Kluuvin Pysäköinti	11.33%	1,509,989.47	1,509,989.47
<b>Total other real estate investments</b>		<b>694,470,412.32</b>	<b>797,719,971.21</b>
<b>Total real estate investments</b>		<b>2,545,567,974.16</b>	<b>2,602,547,876.76</b>
<b>Total real estate and shares in real estate</b>		<b>2,588,233,204.95</b>	<b>2,645,213,107.55</b>

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

<b>31.12.2013</b>		<b>Book value i.e. market value</b>	<b>Acquisition cost</b>
<b>Name</b>	<b>Number of shares</b>	<b>EUR</b>	<b>EUR</b>
Royal Dutch Shell Plc	3,311,643	87,692,164.56	89,347,581.95
Nokia Oyj	13,506,578	78,608,283.96	41,408,039.60
Sampo Oyj	2,170,102	77,516,043.44	38,672,723.43
HSBC Holdings Plc	9,304,761	73,766,823.57	74,360,275.19
Amer Sports Oyj	4,508,964	68,175,535.68	50,783,022.32
Novartis AG	1,119,545	64,932,880.42	44,201,585.73
Kone Oyj	1,903,540	62,436,112.00	30,377,907.10
Roche Holding AG	298,622	60,607,463.18	40,307,212.37
Vodafone Group PLC	20,739,143	58,956,181.97	46,714,467.46
Oversea-Chinese Banking Corp. Ltd	9,873,510	57,885,882.04	41,349,093.18
UPM-Kymmene Oyj	4,521,794	55,527,630.32	47,421,902.65
Nestle SA	1,016,104	54,049,846.20	35,623,587.78
Total SA	1,141,578	50,834,468.34	52,823,249.77
Nordea Bank AB	5,204,472	50,676,220.17	37,978,670.73
GlaxoSmithKline PLC	2,343,870	49,590,660.71	46,313,267.12
Taiwan Semiconductor Manufacturing Co Ltd	19,144,551	49,180,968.20	25,816,842.42
Fortum Oyj	2,951,403	49,081,831.89	60,516,649.22
BHP Billiton	2,176,410	48,833,008.11	42,107,873.14
Samsung Electronics Ltd	98,594	44,300,720.52	14,867,675.83
Wartsila Oyj	1,211,204	43,324,767.08	29,125,185.02
Metso Oyj	1,543,015	36,754,632.48	34,939,202.89
Sanofi	476,549	36,751,458.88	24,165,784.55
Swedish Match AB	1,573,687	36,717,172.50	41,190,657.04
Prudential PLC	2,169,486	34,869,992.08	24,684,474.34
AIA Group Ltd	9,504,000	34,602,775.33	20,409,325.24
Stora Enso Oyj	4,730,001	34,505,357.30	29,751,603.52
BASF	441,662	34,224,388.38	30,100,092.54
Siemens AG	334,563	33,218,760.27	26,903,403.22
CSL Ltd	720,980	32,280,493.00	19,634,996.64
Unilever PLC	3,526,397	31,307,654.13	19,288,784.45
Cheung Kong Holdings Ltd	2,732,000	31,298,031.03	25,549,394.65
Daimler AG	490,909	30,878,176.10	19,702,506.79
Housing Development Finance Corp.	3,251,406	30,313,702.03	24,967,708.02
BG Group PLC	1,929,865	30,034,782.75	22,159,446.73
Banco Santander SA	4,499,026	29,270,663.16	34,582,327.19
DBS Group Holdings Ltd	2,914,122	28,642,093.17	24,395,942.61
Standard Chartered PLC	1,740,649	28,321,363.09	26,499,383.43
Remy Cointreau SA	462,417	28,202,812.83	35,921,145.09
BNP Paribas SA	484,716	27,459,161.40	25,324,197.65
ABB Ltd	1,419,401	27,148,530.04	17,803,458.75
Beiersdorf AG	363,093	26,738,168.52	21,570,917.29
Bayer AG	258,396	26,343,472.20	20,490,802.80
ENI SpA	1,475,424	25,805,165.76	26,284,367.46
Colruyt SA	618,355	25,092,845.90	21,973,599.07
Salvatore Ferragamo Italia SpA	882,516	24,401,567.40	18,209,615.15
Rio Tinto PLC	590,000	24,178,814.16	18,736,434.53
British American Tobacco PLC	603,578	23,442,312.15	13,352,654.98
Novo Nordisk A/S	174,604	23,267,113.00	7,071,003.72

Davide Campari-Milano SpA	3,801,712	23,114,408.96	21,432,333.77
SAP AG	368,299	22,948,710.69	17,511,060.53
AstraZeneca PLC	530,271	22,735,440.68	20,112,975.44
Axiata Group Berhad	14,476,400	22,130,883.90	16,738,459.26
China Telecom Corporation Limited	59,880,000	21,969,631.00	22,655,643.06
Husqvarna AB	4,900,000	21,416,170.94	21,714,313.61
Jardine Strategic Holdings Ltd	918,038	21,319,515.69	7,787,725.76
Glencore International PLC	5,533,969	20,756,532.40	18,934,440.08
UBS AG	1,491,300	20,554,574.78	16,051,092.86
Barclays PLC	6,283,475	20,496,473.87	26,789,261.00
Infosys Ltd	491,000	20,079,697.03	16,528,027.46
Pohjola Bank PLC	1,362,800	19,924,136.00	11,944,512.26
Telefonica SA	1,663,499	19,687,510.67	25,361,881.13
Anheuser-Busch InBev NV	248,389	19,190,534.14	9,318,982.37
TeliaSonera AB	3,113,444	18,752,953.76	15,580,106.50
Outotec Oyj	2,425,120	18,455,163.20	19,913,605.05
Diageo PLC	762,995	18,303,826.32	9,550,486.49
Tata Consultancy Services	716,159	18,250,348.39	14,186,241.16
Allianz AG	139,848	18,229,186.80	10,692,973.96
Delta Electronics Inc.	4,300,000	17,799,869.01	15,606,353.84
Mahindra & Mahindra Ltd	1,602,750	17,755,040.55	16,549,948.72
AXA SA	873,722	17,657,921.62	14,298,977.11
Banco Bilbao Vizcaya Argentaria SA	1,956,096	17,503,147.01	15,096,122.82
United Overseas Bank Ltd	1,408,107	17,190,601.90	10,057,005.22
Hutchison Whampoa Limited	1,689,000	16,661,924.58	11,291,377.57
Want Want China Holdings Limited	15,382,000	16,124,480.58	17,173,395.69
Hong Kong & China Gas Co Ltd	9,678,527	16,106,305.28	9,536,914.99
Swire Pacific Ltd	9,441,000	15,951,375.74	10,027,727.16
China Mobile Ltd	2,105,000	15,840,287.25	10,897,999.05
PetroChina Co Ltd	19,718,000	15,686,884.25	14,054,190.71
Brambles Ltd	2,610,917	15,510,787.52	15,033,651.55
Deutsche Telekom AG	1,214,581	15,097,241.83	12,198,043.66
Lloyds Banking Group	15,698,204	14,852,756.77	17,082,489.78
Rolls-Royce Holdings PLC	966,760	14,784,922.63	7,413,510.48
Finnair Oyj	5,285,642	14,641,228.34	16,085,171.99
Samsung Fire & Marine Insurance	82,160	14,632,899.11	8,515,570.81
Orion Oyj	712,336	14,545,901.12	10,729,433.97
BT Group PLC	3,183,406	14,487,036.54	9,507,542.73
Deutsche Post AG	544,506	14,429,409.00	9,712,238.11
Keppel Corporation Limited	2,230,000	14,342,863.41	13,183,886.88
Siam Cement PLC	1,623,800	14,326,775.63	9,454,891.71
Societe Generale SA	337,519	14,250,052.18	11,512,116.94
Mead Johnson Nutrition Co	234,131	14,220,007.66	14,103,617.43
FMC Corporation	257,490	14,100,803.68	9,881,796.43
Newcrest Mining Ltd	2,777,265	14,064,736.89	33,494,444.08
Huhtamäki Oyj	750,000	13,987,500.00	10,081,462.68
E.ON AG	1,041,260	13,968,502.90	16,487,705.31
Volkswagen AG	68,815	13,968,027.50	11,156,065.51
QBE Insurance Group Ltd	1,866,787	13,950,500.21	19,635,246.00
Singapore Telecommunications Ltd	6,660,000	13,934,023.09	9,502,921.22
Atlas Copco AB	702,345	13,859,709.90	11,770,687.26
National Grid PLC	1,463,817	13,835,765.82	10,686,340.17
Zurich Financial Services AG	65,601	13,813,830.65	12,418,199.08
China Resources Enterprise Ltd	5,580,000	13,607,379.74	13,377,865.01
Public Bank Bhd	3,143,100	13,607,296.63	8,578,868.24

Unicredito Italiano SpA	2,499,255	13,445,991.90	10,586,108.92
GDF Suez	762,152	13,028,988.44	27,510,929.85
Deutsche Bank AG	372,492	12,916,160.10	12,358,585.53
City Developments Ltd	2,324,000	12,823,550.01	9,377,725.67
Linde AG	83,772	12,737,532.60	10,447,895.42
Cie Financiere Richemont SA	175,419	12,689,155.43	4,974,846.26
Ayala Corporation	16,329,030	12,483,076.19	9,104,976.35
PTT Exploration & Production PCL	3,350,000	12,337,006.36	4,773,771.36
Hang Lung Properties Ltd	5,362,000	12,295,545.41	11,549,769.81
ResMed Inc.	3,520,781	12,115,311.08	8,637,964.60
Dr. Reddy's Laboratories Limited	406,490	12,087,909.04	11,081,652.42
ING Groep NV	1,192,168	12,040,896.80	9,588,661.15
Volvo AB	1,221,438	11,644,188.25	12,060,027.34
Media Tek Inc.	1,075,000	11,609,179.27	9,024,685.05
Li & Fung Limited	12,396,000	11,602,096.45	18,524,942.07
Konecranes Oyj	446,042	11,534,646.12	9,933,179.94
Dairy Farm International Holdings Ltd	1,659,700	11,442,473.03	3,133,523.60
Amadeus IT Holding SA	358,000	11,135,590.00	5,759,660.28
Valmet Oyj	1,543,015	11,109,692.82	10,560,949.34
Telefonaktiebolaget L. M. Ericsson	1,247,016	11,049,740.49	10,718,925.61
Reckitt Benckiser Group PLC	190,211	10,935,364.32	7,095,468.84
Credit Suisse Group	490,706	10,900,580.50	13,008,261.01
LVMH Moet Hennessy Louis Vuitton SA	81,981	10,870,680.60	7,934,170.10
Schneider Electric SA	169,386	10,739,072.40	4,351,942.07
Neste Oil Oyj	746,705	10,730,150.85	10,496,426.53
Renault SA	182,836	10,686,764.20	6,566,928.63
Qiagen NV	619,231	10,667,071.91	9,217,717.65
Sabmiller PLC	285,376	10,614,741.23	5,849,871.23
PVH Corporation	105,992	10,462,670.68	8,521,364.69
Danone	199,534	10,439,618.88	8,298,051.82
Burger King Corporation	616,800	10,232,630.43	9,212,540.64
Assa Abloy AB	265,965	10,201,364.36	6,685,057.31
		3,321,071,887.29	2,661,724,525.10
Others		1,610,305,309.11	1,361,742,230.62
<b>Total</b>		<b>4,931,377,196.40</b>	<b>4,023,466,755.72</b>

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

<b>31.12.2013</b>	<b>Book value i.e. market value EUR</b>	<b>Acquisition cost EUR</b>
<b>Index funds</b>		
Vanguard Institutional Index Fund	1,473,438,341.84	1,057,481,276.65
Vanguard Emerging Markets Stock Index Fund	564,831,140.67	544,836,711.00
	<b>2,038,269,482.51</b>	<b>1,602,317,987.65</b>
<b>Equity funds</b>		
Edinburgh Partners Pan European Opportunities	439,091,372.24	298,700,509.45
Wellington Strategic European Equity	391,927,512.14	244,666,325.57
Hotchkis and Wiley US Large Cap Value Fund	382,039,713.39	225,172,112.38
GS US Superconcentrated Growth Fund	380,913,899.72	233,822,005.33
Cramer Large Cap SIF US	349,777,287.91	226,552,535.19
Wellington US LC Quality Value Fund	329,355,798.41	234,788,653.36
Skagen Kon-Tiki Emerging Markets Fund	323,344,954.65	230,756,552.94
Russell Investment Company II PLC - The Emerging Markets Equity Fund	288,634,488.46	285,838,912.84
ING L Invest Europe Opportunities	270,487,919.49	190,898,894.73
William Blair US Small-Mid Cap Growth Fund	256,494,193.76	167,481,600.21
Threadneedle Investment Funds ICVC - Pan European Smaller Companies Fund	244,637,020.81	116,867,029.84
UBS Global Emerging Markets Opportunity Fund	232,062,049.85	250,702,667.00
Blackrock European Focus Fund	230,858,099.35	146,048,492.20
AllianceBernstein - Pacific Ex Japan Portfolio	230,058,862.00	200,000,000.00
Henderson Horizon Pan European Smaller Companies	227,400,586.97	130,499,999.90
Nomura Funds Ireland - Japan Strategic Value Fund	222,733,586.57	145,051,270.18
DWS Invest European Small/Mid Cap	219,891,539.76	123,245,501.56
Marathon Japan Equity Fund	210,594,807.87	143,846,884.68
AllianceBernstein - Japan Strategic Value Portfolio	207,401,325.85	141,811,305.73
AllianceBernstein - Pacific Ex Japan Portfolio	202,772,743.73	220,891,131.05
Robeco Emerging Stars Equities Fund	201,670,845.98	89,042,651.25
Taiyo Offshore Fund Ltd.	195,130,158.69	151,746,980.40
Coronation Global Emerging Market Fund	169,975,931.88	146,101,889.51
Arcus Japan Fund Ltd	149,620,761.03	149,944,599.69
Russian Prosperity Fund	148,610,971.96	107,024,987.59
Robeco Emerging Conservative Equities	147,724,158.50	146,742,135.90
Lansdowne Europa Fund Limited	145,667,475.00	100,000,000.00
Relational Investors XV L.P Fund	136,037,292.44	100,000,000.00
Fidelity Active SStrategy - Japan Fund	128,215,912.97	92,076,270.07
Russell Institutional Funds - Frontier Markets Equity Fund	123,329,599.21	102,890,383.21
Arisaig Asia Consumer Fund	113,772,687.08	101,947,541.75
Danske Invest Emerging and Frontier Markets SMID	89,840,905.04	100,308,814.78
Morant Wright Japan Fund Ltd	86,579,272.98	61,842,954.34
Arisaig Africa Fund	81,324,641.19	51,678,594.24
Blakeney Investors Emerging Markets Fund	49,429,254.98	40,378,655.78
Arisaig Latin America	46,967,631.21	49,911,505.20
Russell Investment Company PLC - RQIF China A Equity Fund	43,138,747.81	39,917,791.89
	7,697,514,010.88	5,589,198,139.74
<b>Total equity funds</b>	<b>9,735,783,493.39</b>	<b>7,191,516,127.39</b>



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

<b>31.12.2013</b>	<b>Book value i.e. market value, EUR</b>	<b>Acquisition cost EUR</b>
Keva Investments II L.P.	140,031,396.83	125,719,836.58
Crown Opportunities KY	78,147,068.00	55,000,000.00
Keva Investments L.P.	73,072,222.46	85,459,357.72
Advent International GPE-VI	70,120,798.00	48,455,031.00
Energy Capital II	45,083,268.80	34,035,565.55
Hermes Global Secondary LP	42,425,925.78	36,379,551.25
Bridgepoint Europe IV A	41,379,614.91	34,812,159.28
Affinity Asia Pacific Fund III, L.P.	39,806,807.48	27,336,144.33
Altor Fund III L.P.	36,923,279.77	27,605,835.23
SAIF Partners III, L.P.	36,114,305.71	28,917,347.09
Lindsay Goldberg III	33,958,414.18	33,368,249.86
Advent International GPE VII L.P.	33,628,179.00	28,850,001.00
Permira IV	28,928,280.01	22,547,504.53
Hitec Vision V L.P.	26,786,556.32	21,429,215.36
Activa Capital Fund II FCPR	26,273,996.80	27,198,333.98
WLR Recovery Fund IV	26,231,067.36	23,477,408.35
EQT IV Limited	26,084,164.00	32,018,810.86
EQT VI L.P.	25,674,590.00	25,740,598.14
TA XI L.P.	25,102,123.85	21,246,496.57
Triton Fund III	24,607,016.16	34,892,946.00
Bowmark IV	23,299,677.34	22,692,915.23
Polish Enterprise Fund VI	22,777,852.25	24,206,809.18
Sponsor Fund III KY	22,645,992.00	18,898,946.42
Montagu IV, L.P.	22,452,564.98	21,936,494.28
Warburg Pincus Private Equity XI L.P.	20,854,302.81	21,355,771.39
ACE II	20,853,843.09	21,481,444.08
Nordic Mezzanine Fund III	20,448,091.00	19,330,263.60
Bertram II L.P.	19,840,293.30	23,954,478.55
Innova 5 L.P.	19,735,000.00	16,973,257.33
Water Street Healthcare II	19,233,739.40	3,623,171.35
HitecVision Asset Solutions	18,694,970.63	12,471,182.35
Warburg Pincus Private Equity VIII	17,806,771.84	6,119,966.77
MBK III	17,774,514.54	13,881,304.89
Indigo Capital V L.P.	17,494,043.39	22,636,893.28
Baring Vostok PE Fund IV, L.P.	16,503,967.08	12,242,391.02
Mid Europa Fund III, L.P.	16,216,920.00	14,820,736.46
EQT Infrastructure II	16,142,683.00	17,277,278.62
Genstar Capital Partners V L.P.	15,809,544.54	14,563,465.98
Emerging Europe II	15,743,442.91	9,464,495.11
TA Atlantic and Pacific VI L.P.	15,613,263.72	12,787,222.44
KCEAF I	15,609,368.43	20,121,029.59
Crown Global Secondaries III Plc	15,082,889.57	13,719,563.21
Wynnchurch Capital III L.P.	14,849,606.26	15,634,730.88
Permira Europe III	14,427,927.00	22,699,890.30
TPG Partners IV L.P.	13,485,023.57	17,964,535.37
Bain Capital IX L.P.	13,430,614.17	14,798,231.93
Crescent Mezzanine VI L.P.	12,616,924.08	13,265,592.90
Cinven V	11,664,644.00	12,270,459.78
Hitec Vision VI L.P.	11,015,922.99	13,368,857.10
Wynnchurch Capital II L.P.	10,944,376.77	12,536,016.78
Intera Fund I Ky	10,541,249.00	11,616,895.24

Graphite Capital Partners VII	9,635,061.31	2,992,379.67
TorQuest Partners II (U.S), L.P.	9,393,278.00	9,250,462.28
Polish Enterprise Fund V L.P.	9,255,471.71	11,499,735.95
Warburg Pincus International Partners	9,143,516.79	6,385,933.01
Intera Fund II Ky	8,593,611.01	9,294,771.21
Astorg V	7,980,000.00	8,200,000.00
HarbourVest Partners VI-Partnership Fund L.P	7,094,928.58	22,739,224.65
Kasvurahastojen Rahasto Ky	6,245,696.56	6,812,174.98
Graphite Capital Partners VI	5,662,524.16	4,190,805.59
Bowmark III	5,443,838.31	9,635,516.61
Bain Capital Fund VIII	5,414,323.83	7,062,653.87
TA X L.P	5,330,335.00	5,417,242.37
Advent GPE V	5,245,275.00	5,016,437.63
Monomoy II	5,008,828.95	3,156,410.23
	<b>1,503,435,788.29</b>	<b>1,384,858,432.14</b>
Others	236,191,176.17	389,186,583.12
<b>Total</b>	<b>1,739,626,964.46</b>	<b>1,774,045,015.26</b>

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

<b>31.12.2013</b>	<b>Book value i.e. market value, EUR</b>	<b>Acquisition cost, EUR</b>
OZ Overseas Fund II	214,559,708.66	163,740,847.57
King Street	188,305,133.50	166,707,289.81
Mesirow Multimanager Fund II	179,197,393.38	152,374,431.27
Davidson Kempner International, Ltd - Class C	124,157,333.54	116,088,137.20
Atlas Institutional Fund II, LLC	108,977,566.13	92,891,987.53
Blue Mountain Credit Alternatives Fund Ltd	104,368,678.27	106,271,931.24
MKP Credit Offshore	101,704,064.28	91,423,650.37
GoldenTree Master Fund	99,683,942.43	98,146,128.68
Taconic Opportunity Offshore Fund, Ltd - Class A	92,975,351.69	87,204,469.46
AllBlue Class A	89,303,415.20	74,999,999.98
Nektar Fund	56,937,211.35	50,000,000.00
Davidson Kempner Long-Term Distressed Opportunities International	42,595,035.48	30,378,209.35
Davidson Kempner Long-Term Distressed Opportunities International II	29,503,972.25	26,869,199.11
York European Distressed Credit Fund	24,090,549.23	22,587,351.46
H.I.G Bayside Loan Opportunity Feeder Fund III	15,881,270.00	16,617,417.40
GoldenTree CLO Debt Investment Fund	154,799.83	131,984.67
<b>Total</b>	<b>1,472,395,425.22</b>	<b>1,296,433,035.09</b>

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

31.12.2013		Book value	Acquisition
Company name	Holding	i.e. market value, EUR	cost EUR
<b>Subsidiaries</b>			
Kuntakehitys KE Oy	100.00%	2,522.82	2,522.82
Kuntakiinteistöt KE Oy	100.00%	2,522.82	2,522.82
Kuntasijoitus KE Oy <sup>1)</sup>	100.00%	8,409.40	8,409.40
		<b>13,455.04</b>	<b>13,455.04</b>
<b>Shares in associated companies</b>			
Kuntarahoitus Oyj <sup>2)</sup>	30.66%	124,093,681.07	24,595,829.37
Exilion Capital Oy <sup>3)</sup>	25.50%	33,628.20	33,628.20
		<b>124,127,309.27</b>	<b>24,629,457.57</b>
<b>Total</b>		<b>124,140,764.31</b>	<b>24,642,912.61</b>

1) Operates as the liable partner in Keva Investments Ky and investments made through the latter are shown in private equity funds.

2) The equity according to the consolidated financial statements for 2013 is EUR 470,224,008.21. \*) The profit for the financial period is EUR 124,698,859.87. \*)

\*) Proposal to Annual General Meeting of Kuntarahoitus Oyj to be held on 26 March 2014.

3) The equity according to the financial statements for 2013 is EUR 148,381.57. The profit for the financial period is EUR 8,080.22.

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

<b>31.12.2013</b>	<b>Book value i.e.</b>	<b>Acquisition cost</b>
<b>Issuer</b>	<b>market value</b>	<b>EUR</b>
	<b>EUR</b>	<b>EUR</b>
German Government	1,622,802,587.17	1,623,038,503.31
Finnish Government	1,363,436,806.85	1,382,552,475.53
Swedish Government	294,322,964.66	294,698,027.69
German postal pensions	198,466,375.00	177,253,507.69
Polish Government	145,159,478.80	139,408,650.00
Credit Suisse	134,037,893.84	124,836,150.00
Nordea Bank AB	119,074,374.93	112,480,200.00
European Investment Bank	117,901,711.64	119,401,500.00
Belgian Government	109,282,534.25	110,820,000.00
EFSF	99,148,547.95	99,400,800.00
DNB Boligkreditt AS	94,576,955.48	91,321,000.00
Danish Government	94,119,809.59	90,500,250.00
ING Bank NV	89,232,019.18	84,597,150.00
HSBC France	82,919,561.10	83,308,405.00
ABN Amro Bank NV	79,976,822.19	72,465,740.00
Nykredit Bank AS	78,161,456.99	73,589,400.00
The Royal Bank of Scotland	77,557,552.30	73,663,500.00
Sparebanken	74,327,913.01	69,597,500.00
Nationwide Building Society	71,097,980.96	62,756,100.00
Achmea Hypotheekbank	70,430,404.11	70,000,000.00
Société Générale	67,697,863.51	67,293,720.00
Northern Rock Plc	66,585,196.58	58,019,150.00
Cie de Finacement Foncier	65,303,570.21	65,267,000.00
OP Mortgage Bank	65,267,193.97	64,061,100.00
People's Republic of China	61,768,117.81	60,344,191.07
Danske Bank AS	60,524,778.08	54,687,300.00
Erste Abwicklungsanstalt	52,895,684.93	49,868,000.00
FMS Wertmanagement	52,745,102.74	49,685,500.00
UBS AG	51,205,932.60	48,839,900.00
Aktia Oyj	50,892,747.95	49,972,500.00
NCG Banco SA	50,610,157.53	49,601,500.00
Terra BoligKreditt AS	49,118,465.75	49,791,000.00
Pohjola Pankki Oyj	48,736,472.19	47,065,310.00
Dutch Government	47,616,547.95	51,797,999.99
Credit Mutuel-CIC	44,243,371.23	44,991,000.00
Intesa Sanpaolo SpA	43,229,567.12	39,950,000.00
Land Nordrhein-Westfalen	42,618,544.52	44,923,500.00
Aktia Real Estate Mortgage Bank	42,442,147.95	39,836,000.00
Sampo Housing Loan Bank	41,599,660.27	39,955,600.00
Stockholms läns landsting	39,473,972.60	39,793,600.00
Credit Mutuel Arkea	39,081,225.34	34,848,100.00
AIB Mortgage Bank	38,315,947.95	35,420,000.00
Deutsche Pfandbriefbank AG	38,015,216.44	39,444,800.00
	6,176,021,235.22	6,081,145,630.28
Others	2,839,466,878.82	2,718,557,493.66
<b>Total</b>	<b>9,015,488,114.04</b>	<b>8,799,703,123.94</b>

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

31.12.2013	Book value i.e. market value EUR	Acquisition cost EUR
BlueBay High Yield Institutional Credit Select Fund New	615,382,150.46	588,426,281.67
SEB Institutionel PI US High Yield Bonds	572,803,320.64	370,734,654.57
Stone Harbor Emerging Markets Local Currency Debt Fund	553,233,041.53	435,081,375.40
The Colchester Local Markets Debt Fund	519,591,184.96	608,109,837.99
Investec Emerging Markets Local Currency Debt Fund	331,520,556.88	327,153,762.27
Pimco Bravo	321,008,665.01	209,942,595.58
Natixis Loomis Sayles Institutional High Income Fund	282,234,690.41	194,847,682.36
Pimco Distressed Senior Credit Opportunities Fund	237,322,708.87	143,999,337.42
Twelve Capital Insurance Bond Fund	233,673,774.38	175,000,000.00
Seix SIA Kasvu High Yield Fund	200,956,469.20	197,959,554.56
Global Evolution Emerging Frontier Fund	184,010,042.78	192,056,541.45
DDJ Arvo US High Yield Fund	178,160,772.25	173,903,242.56
First Eagle FEIM High Yield Cayman Fund	178,076,719.28	174,634,187.29
Logan Circle High Yield Mid-Grade Fxed Income I Fund	175,205,915.30	172,108,761.99
Sparinvest Nordic High Yield Value Bonds A	60,780,000.00	60,000,000.00
Pareto Kreditt Klass B	49,753,527.34	50,732,651.13
Aberdeen Global - Emerging Markets Corporate Bond Fund	47,474,289.18	49,064,704.08
Pimco Bravo II	21,974,707.00	20,109,830.61
Twelve Capital Private Insurance Bond Fund	10,269,000.00	10,000,000.00
<b>Total</b>	<b>4,773,431,535.46</b>	<b>4,153,865,000.94</b>

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

31.12.2013	Book value i.e. market value EUR	Acquisition cost EUR
IPM Global Currency Fund	65,815,109.26	50,298,999.74
<b>Total</b>	<b>65,815,109.26</b>	<b>50,298,999.74</b>

## 7 Other notes to the financial statements

### 7.1 Derivative contracts

	31.12.2013 EUR	31 Dec. 2012 EUR
<p>The values of the underlying instruments are entered at the market value of the equities at the balance sheet date for equity derivatives, at the nominal value for interest-rate derivatives and at a currency's euro-denominated countervalue at the balance sheet date for currency derivatives.</p> <p>The market values are the sums that would have been received or payable if the contracts had been fixed with counter-agreements at the balance sheet date.</p> <p>The market values of the derivatives have been recorded in the balance sheet and the changes in the market values in the profit and loss account.</p>		
<b>Equity derivatives</b>		
Forward and future contracts		
Value of underlying instruments	550,246.62	-446,231,940.20
Positive market value	9,318,670.00	4,830,810.20
Negative market value	-6,362,876.15	-707,912.84
Total net	2,955,793.85	4,122,897.36
Option contracts		
Value of underlying instruments	-238,890,857.04	12,249,599.55
Positive market value	937,392.53	10,638,998.41
Negative market value	-3,327,599.99	-6,491,152.29
Total net	-2,390,207.46	4,147,846.12
Other equity derivatives		
Value of underlying instruments	0.00	0.00
Positive market value	0.00	0.00
Negative market value	-3,510,704.10	0.00
Total net	-3,510,704.10	0.00
<b>Interest rate derivatives</b>		
Forward and future contracts		
Value of underlying instruments	350,000,000.00	228,200,000.00
Positive market value	766,990.00	2,852,500.00
Negative market value	0.00	0.00
Total net	766,990.00	2,852,500.00
Option contracts		
Value of underlying instruments	3,000,000,000.00	0.00
Positive market value	0.00	0.00
Negative market value	-280,000.00	0.00
Total net	-280,000.00	0.00
Interest rate swaps		
Value of underlying instruments	0.00	0.00
Positive market value	57,137,989.42	70,949,264.63
Negative market value	-20,849,281.68	-9,845,922.00
Total net	36,288,707.74	61,103,342.63

<b>Credit risk swaps</b>		
Value of underlying instruments	32,240,000.00	-32,794,106.41
Positive market value	2,630,000.00	1,205,906.00
Negative market value	-934,053.19	-4,539,980.00
Total net	1,695,946.81	-3,334,074.00
<b>Currency derivatives</b>		
Forward and future contracts		
Value of underlying instruments	5,477,146,448.90	4,568,795,691.69
Positive market value	76,889,146.29	66,941,501.87
Negative market value	-3,875,061.82	-3,235,392.00
Total net	73,014,084.47	63,706,109.87
Option contracts		
Purchased		
Value of underlying instruments	257,242,456.45	1,008,470,649.17
Positive market value	4,442,274.20	47,092,082.69
Negative market value	-168,873.94	0.00
Total net	4,273,400.26	47,092,082.69
Written		
Value of underlying instruments	12,446,501.28	-264,385,015.22
Positive market value	132,209.91	0.00
Negative market value	-1,095,612.89	-16,579,713.25
Total net	-963,402.98	-16,579,713.25
Other currency derivatives		
Value of underlying instruments	200,000,000.00	0.00
Positive market value	0.00	0.00
Negative market value	-136,362.99	0.00
Total net	-136,362.99	0.00
<b>Commodity derivatives</b>		
Value of underlying instruments	74,079,313.43	32,861,644.03
Positive market value	1,246,692.52	20,937,000.00
Negative market value	-8,082,000.00	-629,834.67
Total net	-6,835,307.48	20,307,165.33

## 7.2 Liabilities

	<b>31.12.2013</b>	<b>31 Dec. 2012</b>
	<b>EUR</b>	<b>EUR</b>
<b>Securities lending</b>		
<p>Loaned securities are included in the balance sheet. The counterparty to the lending operations is the custodian bank, State Street Bank &amp; Trust Company, with which borrowers place collateral. The collateral for the loans comprises cash or securities pledged to the counterparty. The collateral covers the changes in the value of securities being loaned and they may be used in situations where the transfer of loans is delayed. Securities loans can be interrupted at any time. The average maturity of the loans was 31 days in 2013.</p>		
Equities		
Market value	495,638,443.05	681,133,930.27
Bonds		
Market value	3,683,757,634.01	3,969,987,811.85
<b>Investment commitments</b>		
<p>Binding contracts that have not yet been withdrawn but on which a commitment has been made through valid contracts.</p>		
Private equity funds	1,378,322,043.00	1,278,657,197.00
Silent partner's private equity investment	165,176,525.00	49,245,679.00
Loans not taken up and offers given	5,117,246.96	75,472,971.96
Real estate investment funds	240,861,208.00	201,840,000.00
Real estate investments in subsidiary and associated companies	66,470,286.00	144,498,930.00
Conditional purchase commitments of equities	3,312,500.00	0.00
<b>Rental liabilities</b>		
Under 1 year	1,140,134.88	1,145,824.24
1–5 years	950,112.40	2,066,010.54
<b>Other liabilities</b>	61,100.00	62,400.00
<b>Collateral given on own behalf</b>		
Collateral for derivatives transactions		
Financial contribution	100,320,102.70	101,135,816.10
Cash collateral	20,984,085.85	43,969,858.67



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

	<b>31.12.2013</b>	<b>31 Dec. 2012</b>
	<b>EUR</b>	<b>EUR</b>
<p>The estimate of the present value of the benefits accrued under the local government pension system has been calculated using a 3 per cent discount rate. A low discount rate has been chosen according to the principle of prudence and the effect of future index increments on benefits has been taken into account when choosing the rate. The mortality used in the estimate is based on a population projection by Statistics Finland in 2012, which has been continued from 2060 onwards with the assumption that the mortality decrease rate will be reduced by half. For those on disability pension, the mortality rate used is based on estimates by the Finnish Centre for Pensions.</p> <p>The calculation is based on information obtained from the registers of Keva and the Finnish Centre for Pensions. The calculation is based on information from the end of 2011 as well as payroll and pension expenditure information from 2012 and 2013.</p> <p>When drawing up the calculation, it has been necessary to make several assumptions, such as the number of commencing pensions and amounts of pensions as well as their duration. Changes in the information base and the calculation premises, especially interest and mortality factors, can alter the assessment of the present value of the accrued benefits significantly. Although care has been taken in choosing the premises and drawing up the calculation, the final calculation result should always be considered as being mostly indicative.</p>		
Present value of benefits	101,000,000,000.00	97,000,000,000.00

The figure for 2013 has been adjusted downward by one billion euros over the figure published in the 2012 financial statements.

## 7.4 Key indicators for Keva

	2013	2012	2011	2010	2009
Number of local government pension recipients on 31 Dec.	367,000	354,000	349,000	339,900	331,010
Local government pensions paid (EUR million)	4,141	3,826	3,541	3,321	3,141
Number of state pension recipients on 31 Dec.	274,000	272,000	275,000		
State pensions paid (EUR million)	4,226	3,834	3,656		
Number of Ev. Luth. Church pension recipients on 31 Dec.	18,100	17,300			
Ev. Luth. Church pensions paid (EUR million)	166	170			
Number of Social Ins. Institution pension recipients on 31 Dec.	5,900	5,800			
Social Insurance Institution pensions paid (EUR million)	86	82			
Local government payroll (EUR million)	16,528	16,121	15,376	14,733	14,110
Local government contribution income (EUR million)	4,890	4,696	4,406	4,187	3,982
Number of insured local government employees on 31 Dec.	521,000	521,000	509,000	507,000	497,000
Operating costs (EUR million)	94.6	89.8	82.4	73	63
Personnel (permanent) on 31 Dec.	537	519	524	394	396
Investments at market value (EUR million)	36,503	33,528	29,044	28,643	24,703
Return on investments at market value	7.5%	12.9%	-1.7%	12.3%	18.9%
Annual real return on investments since inception (from 1988)	3.8%	3.7%	3.2%	3.9%	3.3%

## 7.5 Investment allocation (market value)

	2013 EUR million		2012 EUR million		2011 EUR million		2010 EUR million		2009 EUR million	
Loan receivables	622.1	1.7%	709.4	2.1%	832.7	2.9%	863.5	3.0%	929.8	3.8%
Bonds	13,935.3	38.2%	13,809.4	41.2%	11,516.0	39.7%	10,853.4	37.9%	10,246.5	41.5%
Short-term investments	966.4	2.6%	652.6	1.9%	971.5	3.3%	479.3	1.7%	594.0	2.4%
Equities and equity funds	14,791.3	40.5%	12,981.2	38.7%	11,229.1	38.7%	12,572.1	43.9%	9,791.3	39.6%
Private equity and hedge funds and commodity investments	3,374.2	9.2%	2,624.1	7.8%	2,044.9	7.0%	1,646.2	5.7%	1,100.3	4.4%
Real estate	2,813.9	7.7%	2,751.6	8.2%	2,449.9	8.4%	2,228.2	7.8%	2,041.2	8.3%
<b>Total investments</b>	<b>36,503.1</b>	<b>100.0%</b>	<b>33,528.3</b>	<b>100.0%</b>	<b>29,044.1</b>	<b>100.0%</b>	<b>28,642.7</b>	<b>100.0%</b>	<b>24,703.2</b>	<b>100.0%</b>
Accumulated interest	143.6		134.8		145.2		141.6		195.1	
Other items	1,172.7		696.1		379.1		-5.8		-130.8	
<b>Investments used in calculation of return</b>	<b>37,819.4</b>		<b>34,359.2</b>		<b>29,568.4</b>		<b>28,778.47</b>		<b>24,767.6</b>	

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

	Net investment income market value EUR million	Capital employed EUR million	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed	Return-% on capital employed
	2013			2012	2011	2010	2009
<b>Total fixed-income investments</b>	<b>66.6</b>	<b>6,509.9</b>	<b>0.4%</b>	<b>11.5%</b>	<b>3.5%</b>	<b>6.3%</b>	<b>13.3%</b>
Loan receivables	7.7	677.9	1.1%	2.3%	2.3%	2.4%	2.9%
Bonds	55.2	14,051.2	0.4%	13.4%	3.7%	7.0%	15.1%
Other money market instruments and deposits	3.7	1,780.7	0.2%	0.5%	1.5%	0.8%	1.0%
<b>Total equity investments</b>	<b>2,374.7</b>	<b>14,378.7</b>	<b>16.5%</b>	<b>16.5%</b>	<b>-7.7%</b>	<b>19.9%</b>	<b>31.7%</b>
Listed equities	2,100.7	12,688.1	16.6%	17.2%	-10.0%	20.0%	35.5%
Private equity investments	232.1	1,607.9	14.4%	10.0%	13.9%	18.7%	-3.6%
Unlisted equities	41.9	82.7	50.7%	41.7%	60.5%	7.0%	35.2%
<b>Total real estate investments</b>	<b>95.3</b>	<b>2,678.9</b>	<b>3.6%</b>	<b>4.7%</b>	<b>5.9%</b>	<b>7.2%</b>	<b>-2.9%</b>
Direct real estate investments	62.4	2,018.3	3.1%	4.9%	6.1%	7.2%	0.3%
Real estate investment funds	32.9	660.5	5.0%	4.0%	5.3%	7.3%	-16.2%
<b>Other investments</b>	<b>106.1</b>	<b>1,168.1</b>	<b>9.1%</b>	<b>9.0%</b>	<b>-2.1%</b>	<b>11.2%</b>	<b>26.6%</b>
Hedge-fund investments	113.4	964.6	11.8%	10.4%	-0.5%	6.9%	17.4%
Investments in commodities	-7.3	203.6	-3.6%	5.2%	-6.1%	19.1%	45.5%
<b>Total investments</b>	<b>2,642.8</b>	<b>34,735.6</b>	<b>7.6%</b>	<b>13.0%</b>	<b>-1.6%</b>	<b>12.4%</b>	<b>19.0%</b>
Income, expenses and operating expenses not allocated to investment types	-39.6	-	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
<b>Net investment income at market value</b>	<b>2,603.2</b>	<b>34,735.6</b>	<b>7.5%</b>	<b>12.9%</b>	<b>-1.7%</b>	<b>12.3%</b>	<b>18.9%</b>

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

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

	Market value		Distribution by risk		Return	Risk	
	EUR million	%	EUR million	%		Volatility	Mod. duration
<b>Fixed-income investments</b>	<b>16,906.1</b>	<b>44.7%</b>	<b>18,113.1</b>	<b>47.9%</b>	<b>0.4%</b>		
Loan receivables	624.1	1.7%	624.1	1.7%	1.1%		
Bonds	14,051.4	37.2%	15,338.1	40.6%	0.4%	3.8%	5.7
<i>Public sector bonds</i>	6,298.5	16.7%	7,354.6	19.4%	-0.1%		
<i>Other bonds</i>	7,752.9	20.5%	7,983.6	21.1%	0.8%		
Other money market instruments and deposits	2,230.6	5.9%	2,150.8	5.7%	0.2%		
<b>Equity investments</b>	<b>16,520.5</b>	<b>43.7%</b>	<b>16,286.2</b>	<b>43.1%</b>	<b>16.5%</b>		
Listed equities	14,651.8	38.7%	14,417.6	38.1%	16.6%	8.7%	
Private equity investments	1,744.0	4.6%	1,744.0	4.6%	14.4%		
Unlisted equities	124.6	0.3%	124.6	0.3%	50.7%		
<b>Real estate investments</b>	<b>2,771.2</b>	<b>7.3%</b>	<b>2,771.2</b>	<b>7.3%</b>	<b>3.6%</b>		
Direct real estate investments	2,078.2	5.5%	2,078.2	5.5%	3.1%		
Real estate investment funds	693.0	1.8%	693.0	1.8%	5.0%		
<b>Other investments</b>	<b>1,621.5</b>	<b>4.3%</b>	<b>1,702.5</b>	<b>4.5%</b>	<b>9.1%</b>		
Hedge funds	1,490.4	3.9%	1,490.4	3.9%	11.8%	2.4%	
Investments in commodities	131.1	0.3%	212.1	0.6%	-3.6%		
Other investments	-	-	-	-	-		
Total investments			38,873.0	102.8%			
Effect of derivatives			-1,053.6	-2.8%			
<b>Total investments**)</b>	<b>37,819.4</b>	<b>100%</b>	<b>37,819.4</b>	<b>100%</b>	<b>7.5%</b>	<b>4.6%</b>	

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

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

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

## 8 Date and signature of financial statements and the Board of Directors' report

Helsinki, 27th February 2014

Kari Nenonen

Juha Rehula

Heini Jalkanen

Raimo Vistbacka

Risto Kangas

Harri Virta

Sallamaari Muhonen

Päivi Niemi-Laine

Pekka Alanen

## 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 the Local Government Pensions Institution for the financial period 1 January to 31 December 2013. The financial statements comprise the balance sheet, income statement, cash flow statement and notes to the financial statements.

The responsibility of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. As required by the Local Government Pensions Institution'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 the Local Government Pensions Institution 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, 27th February 2014

Ernst & Young Oy  
Authorised Public Accounting Company

Ari Lehto  
Authorised Public Accountant, Chartered Public Finance Auditor

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

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