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# 1 Profit and loss account 1 Jan.–31 Dec. 2011

		2011 EUR		2010 EUR
<b>Contribution income</b>				
Local government pension contributions <sup>1)</sup>		4,405,713,576.16		4,187,265,733.71
Unemployment Insurance Fund insurance contribution		135,237,857.77		135,066,525.05
Financial support		4,279,524.05		5,247,938.29
		<b>4,545,230,957.98</b>		<b>4,327,580,197.05</b>
<b>Pension expenditure</b>				
Local government pension expenditure <sup>2)</sup>		-3,540,602,215.84		-3,320,706,323.85
Adjustments to pension expenditure <sup>3)</sup>		30,530,106.44		28,631,264.15
Financial support		-4,184,902.47		-5,155,831.89
Rehabilitation		-10,059,530.21		-9,115,311.39
		<b>-3,524,316,542.08</b>		<b>-3,306,346,202.98</b>
<b>NET INCOME FROM FINANCIAL OPERATIONS</b>				
		<b>1,020,914,415.90</b>		<b>1,021,233,994.07</b>
<b>Net investment income <sup>5)</sup></b>				
		<b>-465,714,430.64</b>		<b>3,125,040,305.59</b>
<b>NET INCOME FROM FINANCIAL OPERATIONS AND INVESTMENTS</b>				
		<b>555,199,985.26</b>		<b>4,146,274,299.66</b>
<b>Statutory net payments</b>				
Statutory payments	-7,165,314.33		-7,197,399.76	
Payments received <sup>8)</sup>	<u>352,647.94</u>	<b>-6,812,666.39</b>	<u>0.00</u>	<b>-7,197,399.76</b>
<b>Net administrative costs</b>				
<b>Administrative costs</b>				
Personnel costs <sup>6), 7)</sup>	-35,427,168.20		-28,116,661.66	
Other administrative costs <sup>7)</sup>	<u>-46,994,840.19</u>		<u>-44,863,789.38</u>	
	<b>-82,422,008.39</b>		<b>-72,980,451.04</b>	
<b>Depreciation <sup>7)</sup></b>				
	<b>-3,095,223.92</b>		<b>-2,530,571.04</b>	
<b>Payments received <sup>7), 8)</sup></b>				
	<u><b>23,523,082.24</b></u>	<b>-61,994,150.07</b>	<u><b>4,344,260.06</b></u>	<b>-71,166,762.02</b>
<b>Other income and expenses</b>				
		<b>-71,219.94</b>		<b>110,590.82</b>
<b>FUNDED RESULT</b>				
		<b>486,321,948.86</b>		<b>4,068,020,728.70</b>
<b>Pension liability fund's decrease/increase (-)</b>				
		<b>-486,321,948.86</b>		<b>-4,068,020,728.70</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. 2011

ASSETS	2011 EUR	2010 EUR
<b>Intangible assets</b>		
Intangible rights <sup>10)</sup>	39,767,338.71	27,216,156.02
<b>Investments</b>		
Real estate investments		
Real estate and shares in real estate <sup>9)</sup>	2,282,830,011.87	2,074,553,116.65
Loan receivables from subsidiary and associated companies	167,096,248.77	153,596,095.09
	<b>2,449,926,260.64</b>	<b>2,228,149,211.74</b>
Other investments		
Equities and shares <sup>9)</sup>	13,273,967,526.13	14,218,337,231.21
Money market instruments <sup>9)</sup>	12,487,525,532.02	11,332,691,059.62
Loan receivables <sup>11)</sup>	832,667,114.38	863,509,777.43
	<b>26,594,160,172.53</b>	<b>26,414,538,068.26</b>
<b>Total investments <sup>9)</sup></b>	<b>29,044,086,433.17</b>	<b>28,642,687,280.00</b>
<b>Receivables</b>		
Contribution income claims	365,093,353.12	352,329,159.64
Receivables from subsidiary and associated companies	7,355,031.11	4,097,203.81
Other receivables <sup>12)</sup>	26,222,163.61	69,387,317.78
	<b>398,670,547.84</b>	<b>425,813,681.23</b>
<b>Other assets</b>		
Machinery and equipment <sup>10)</sup>	5,070,733.50	4,430,638.72
Other	2,362,288.95	2,362,288.95
Cash at bank and in hand	597,550,137.76	113,234,673.87
	<b>604,983,160.21</b>	<b>120,027,601.54</b>
<b>Accrued income and prepayments</b>		
Prepayments <sup>12)</sup>	20,545,034.90	244,459,361.24
Accumulated interest	145,227,529.49	141,618,950.30
Other accrued income <sup>13)</sup>	84,011,854.64	2,794,338.61
	<b>249,784,419.03</b>	<b>388,872,650.15</b>
<b>TOTAL ASSETS</b>	<b>30,337,291,898.96</b>	<b>29,604,617,368.94</b>

<b>LIABILITIES</b>	<b>2011 EUR</b>	<b>2010 EUR</b>
<b>Pension liability fund <sup>14)</sup></b>	<b>29,926,304,899.29</b>	<b>29,439,982,950.43</b>
<b>Liabilities</b>		
Liabilities to subsidiary and associated companies	797,896.76	401,523.97
Other liabilities <sup>15)</sup>	142,120,391.09	71,198,706.70
	<b>142,918,287.85</b>	<b>71,600,230.67</b>
<b>Accrued liabilities and deferred income</b>		
Accrued liabilities <sup>16)</sup>	250,293,490.79	92,068,398.04
Deferred income	17,775,221.03	965,789.80
	<b>268,068,711.82</b>	<b>93,034,187.84</b>
<b>TOTAL LIABILITIES</b>	<b>30,337,291,898.96</b>	<b>29,604,617,368.94</b>

### 3 Source and application of funds 2011

	2011 EUR	2010 EUR
Pension liability fund, decrease/increase	486,321,948.86	4,068,020,728.70
Adjustments:		
Changes in valuation	987,886,029.68	-2,385,692,728.60
Depreciation	3,095,223.92	2,530,571.04
Profit/loss from sales	53,801,657.05	-480,567,664.67
Cash flow before change in working capital	1,531,104,859.51	1,204,290,906.47
Decrease(+)/increase(-) in receivables	166,231,364.51	33,470,483.31
Increase(+)/decrease(-) in liabilities	141,468,381.24	-26,047,906.41
<b>Cash flow from business operations</b>	<b>1,838,804,605.26</b>	<b>1,211,713,483.37</b>
Investments in investments (excl. cash assets)	1,339,434,766.85	1,136,539,093.04
Investments in intangible and tangible assets and other assets, and income from disposals	15,054,374.52	9,575,197.72
<b>Cash flow from investments</b>	<b>1,354,489,141.37</b>	<b>1,146,114,290.76</b>
<b>Change in cash assets</b>	<b>484,315,463.89</b>	<b>65,599,192.61</b>
Cash at bank and in hand 1 Jan.	113,234,673.87	47,635,481.26
Cash at bank and in hand 31 Dec.	597,550,137.76	113,234,673.87
<b>Change</b>	<b>484,315,463.89</b>	<b>65,599,192.61</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.

### 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. 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 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), and these payments have no impact on the result presented in the financial statements. A breakdown of the gross pensions payments are presented in the notes to the financial statements.

## 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 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 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 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.

#### 4.8 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.

#### 4.9 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.

#### 4.10 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

#### 4.11 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.

#### 4.12 Rental leasing agreements

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

#### 4.13 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.

#### 4.14 Payments for pension services provided

Since the beginning of 2011 Keva has been statutorily handling the implementation of the State pension system for employee customers. 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 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 2010 Keva has been providing contract-based services to the Central Church Fund against payment. Furthermore, Keva made preparations in 2011 for the transfer of the implementation of the statutory pension system of the Evangelical-Lutheran Church and Social Insurance Institution of Finland to Keva at the beginning of 2012.

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 is presented under "Statutory net payments".

#### 4.15 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>2011 EUR</b>	<b>2010 EUR</b>
Pay-based contributions		
employers' contribution	2,475,467,302.91	2,298,337,569.54
employees' contribution	<u>784,558,077.33</u>	<u>717,127,116.13</u>
	3,260,025,380.24	3,015,464,685.67
Pension-expenditure-based contributions	992,000,000.00	981,000,000.00
Early-retirement-pension-expenditure-based contributions	153,000,000.00	190,000,000.00
<b>Total local government pension contributions for the year</b>	<b>4,405,025,380.24</b>	<b>4,186,464,685.67</b>
Total adjustments for previous years	688,195.92	801,048.04
<b>Total local government pension contributions</b>	<b>4,405,713,576.16</b>	<b>4,187,265,733.71</b>

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

<b>Pension benefit</b>	<b>2011 EUR</b>	<b>2010 EUR</b>
Old-age pension	2,724,917,804.87	2,503,318,363.82
Early old-age pension	117,705,633.23	112,987,863.38
Disability pension	394,944,063.01	397,356,469.07
Individual early retirement pension	59,449.26	1,046,201.27
Unemployment pension	17,451,158.69	30,121,565.91
Survivors' pension	171,084,696.07	168,699,434.64
Part-time pension	67,951,204.71	63,080,709.78
Cash rehabilitation benefit	42,755,968.89	40,306,233.09
Rehabilitation increment	530,230.02	466,991.84
	<b>3,537,400,208.75</b>	<b>3,317,383,832.80</b>
Contributions payable to the State	3,102,326.80	3,249,309.74
	<b>3,540,502,535.55</b>	<b>3,320,633,142.54</b>
Compensation for transfer of EU pensions	99,680.29	73,181.31
<b>Total</b>	<b>3,540,602,215.84</b>	<b>3,320,706,323.85</b>

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

	<b>2011 EUR</b>	<b>2010 EUR</b>
State Treasury compensation for pensions based on special legislation	27,003,281.86	28,066,992.88
Returned pensions	2,935,502.37	2,602,067.06
Other adjustments	591,322.21	-2,037,795.79
<b>Total</b>	<b>30,530,106.44</b>	<b>28,631,264.15</b>

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

	2011 EUR
<b>Pension benefit</b>	
Old-age pension	2,997,248,629.89
Early old-age pension	112,406,825.88
Disability pension	175,885,794.70
Individual early retirement pension	9,762.25
Part-time pension	26,281,359.74
Unemployment pension	10,822,315.73
Survivors' pension	322,374,723.90
Rehabilitation allowance	1,593,870.36
Rehabilitation increment	70,034.67
Cash rehabilitation benefit	8,998,386.38
Compensation for expenses	139,985.23
<b>Total expenditure</b>	<b>3,655,831,688.73</b>
<b>Income</b>	
Advance payments received	-3,719,775,000.00
Excessive advance payments returned	63,943,311.27
<b>Total income</b>	<b>-3,655,831,688.73</b>
<b>Impact on Keva's result</b>	<b>0.00</b>

Includes state pensions and pensions paid on behalf of other institutions.

## 5.5 Net investment income <sup>5)</sup>

	<b>2011</b>	<b>2010</b>
	<b>EUR</b>	<b>EUR</b>
<b>Investment income</b>		
Interest income	297,978,771.98	332,876,487.96
Dividend income	197,047,816.41	184,595,012.53
Real estate income	152,626,265.52	139,308,693.34
Sales profit and other income	2,795,065,096.30	2,666,261,257.34
	<b>3,442,717,950.21</b>	<b>3,323,041,451.17</b>
<b>Investment expenses</b>		
Real estate investment expenses	-45,999,368.54	-41,554,578.91
Sales losses and other expenses	-2,874,546,982.63	-2,542,139,295.27
	<b>-2,920,546,351.17</b>	<b>-2,583,693,874.18</b>
<b>Change in valuation items</b>		
Equities and equity funds	-963,048,737.12	1,744,244,221.41
Bonds	-110,591,945.06	415,523,145.70
Short-term investments	-9,080.71	96,250.41
Private equity funds	44,325,395.84	131,783,904.34
Hedge funds	389,008.21	41,835,743.24
Real estate	24,165,951.26	49,486,142.27
Other subsidiary and associated company shares	19,281,234.28	
Investments in commodities	-2,397,856.38	2,723,321.23
	<b>-987,886,029.68</b>	<b>2,385,692,728.60</b>
<b>Net investment income</b>	<b>-465,714,430.64</b>	<b>3,125,040,305.59</b>

## 5.6 Personnel expenses <sup>6)</sup>

	<b>2011 EUR</b>	<b>2010 EUR</b>
Salaries and remunerations <sup>*)</sup>	27,475,079.00	21,930,995.31
Pension costs	5,517,957.03	4,335,342.23
Other statutory social security expenses	1,407,813.53	1,230,719.25
Voluntary social security expenses	1,026,318.64	619,604.87
	<b>35,427,168.20</b>	<b>28,116,661.66</b>

<sup>*)</sup> CEO and Managing Director's, deputy managing directors', Board's and Council's share	852,327.16	632,495.94
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## 5.7 Operating costs and depreciation by operation <sup>7)</sup>

<b>2011</b> <b>Type of cost</b>	<b>Pensions</b> <b>EUR</b>	<b>Investments</b> <b>EUR</b>	<b>Administration</b> <b>EUR</b>	<b>Total</b> <b>EUR</b>
Personnel	-20,002,371.01	-5,679,531.62	-9,745,265.57	-35,427,168.20
IT	-21,333,128.10	-2,566,664.45	-2,845,694.51	-26,745,487.06
Purchases of services	-1,410,626.68	-10,925,694.44	-2,259,733.55	-14,596,054.67
Other	-362,278.30	-462,021.38	-4,828,998.78	-5,653,298.46
<b>External expenses</b>	<b>-43,108,404.09</b>	<b>-19,633,911.89</b>	<b>-19,679,692.41</b>	<b>-82,422,008.39</b>
Internal income and expenses	-4,797,245.37	-785,896.75	5,583,142.12	0.00
<b>Total operating costs</b>	<b>-47,905,649.46</b>	<b>-20,419,808.64</b>	<b>-14,096,550.29</b>	<b>-82,422,008.39</b>
Depreciation	-876,110.53	-125,688.88	-2,093,424.51	-3,095,223.92
<b>Total operating costs and depreciation</b>	<b>-48,781,759.99</b>	<b>-20,545,497.52</b>	<b>-16,189,974.80</b>	<b>-85,517,232.31</b>
Received payments <sup>8)</sup>	18,345,069.95	0.00	5,178,012.29	23,523,082.24
<b>Net administrative costs</b>	<b>-30,436,690.04</b>	<b>-20,545,497.52</b>	<b>-11,011,962.51</b>	<b>-61,994,150.07</b>

<b>2010</b> <b>Type of cost</b>	<b>Pensions</b> <b>EUR</b>	<b>Investments</b> <b>EUR</b>	<b>Administration</b> <b>EUR</b>	<b>Total</b> <b>EUR</b>
Personnel	-12,329,231.18	-5,197,911.16	-10,589,519.32	-28,116,661.66
IT	-20,177,226.16	-2,034,130.17	-3,677,533.92	-25,888,890.25
Purchases of services	-1,086,946.86	-11,262,615.47	-2,340,857.26	-14,690,419.59
Other	-258,534.60	-614,313.07	-3,411,631.87	-4,284,479.54
<b>External expenses</b>	<b>-33,851,938.80</b>	<b>-19,108,969.87</b>	<b>-20,019,542.37</b>	<b>-72,980,451.04</b>
Internal income and expenses	-2,410,985.64	-616,916.29	3,027,901.93	0.00
<b>Total operating costs</b>	<b>-36,262,924.44</b>	<b>-19,725,886.16</b>	<b>-16,991,640.44</b>	<b>-72,980,451.04</b>
Depreciation	-592,849.37	-99,952.42	-1,837,769.25	-2,530,571.04
<b>Total operating costs and depreciation</b>	<b>-36,855,773.81</b>	<b>-19,825,838.58</b>	<b>-18,829,409.69</b>	<b>-75,511,022.08</b>
Received payments <sup>8)</sup>	2,835,056.53	68.00	1,509,135.53	4,344,260.06
<b>Net operating costs</b>	<b>-34,020,717.28</b>	<b>-19,825,770.58</b>	<b>-17,320,274.16</b>	<b>-71,166,762.02</b>



## 5.8 Payments received<sup>8)</sup>

	<b>2011 EUR</b>	<b>2010 EUR</b>
<b>For statutory payments</b>		
State Treasury	<b>352,647.94</b>	<b>0.00</b>
<b>For operating costs</b>		
State Treasury	20,745,928.62	2,544,981.94
Central Church Fund	1,678,411.00	1,526,793.33
Social Insurance Institution of Finland (Kela)	125,899.58	10,268.64
Other	972,843.04	262,216.15
	<b>23,523,082.24</b>	<b>4,344,260.06</b>
<b>Total payments received</b>	<b>23,875,730.18</b>	<b>4,344,260.06</b>

## 6 Notes to the balance sheet

### 6.1 Investments <sup>9)</sup>

	31 Dec. 2011		31 Dec. 2010	
	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>	34,628,631.65	34,628,631.65	35,860,758.52	35,860,758.52
	<b>45,059,202.65</b>	<b>45,059,202.65</b>	<b>46,291,329.52</b>	<b>46,291,329.52</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>	210,423.40	210,423.40	219,081.72	219,081.72
Real estate shares	1,632,631,512.42	1,560,876,257.59	1,552,597,158.59	1,493,758,012.88
Other real estate investments	601,218,975.40	712,316,735.90	471,735,648.82	594,083,251.46
	<b>2,237,770,809.22</b>	<b>2,277,113,314.89</b>	<b>2,028,261,787.13</b>	<b>2,091,770,244.06</b>
<b>Real estate and shares in real estate <sup>18)</sup></b>	<b>2,282,830,011.87</b>	<b>2,322,172,517.54</b>	<b>2,074,553,116.65</b>	<b>2,138,061,573.58</b>
<b>Loans receivable from real estate companies</b>	167,096,248.77	167,096,248.77	153,596,095.09	153,596,095.09
<b>Total real estate investments</b>	<b>2,449,926,260.64</b>	<b>2,489,268,766.31</b>	<b>2,228,149,211.74</b>	<b>2,291,657,668.67</b>
<b>Other investments</b>				
<b>Equities and shares</b>				
Equities <sup>19)</sup>	3,600,607,941.48	3,651,173,882.28	4,841,947,713.48	4,291,907,316.77
Equity funds <sup>20)</sup>	7,571,020,330.03	6,987,419,623.27	7,691,803,890.96	6,765,349,178.93
Unlisted equities	761,288.04	3,396,648.00	761,288.04	3,396,648.00
Private equity funds <sup>21)</sup>	1,419,385,427.40	1,443,211,388.15	1,144,164,279.26	1,219,724,630.65
Hedge funds <sup>22)</sup>	617,279,578.59	552,591,708.28	491,630,476.78	436,259,762.76
Investments in commodities	7,263,903.07	0.00	9,661,759.45	0.00
Other shares and holdings in subsidiary and associated companies <sup>23)</sup>	57,649,057.52	24,641,892.61	38,367,823.24	24,641,892.61
	<b>13,273,967,526.13</b>	<b>12,662,435,142.59</b>	<b>14,218,337,231.21</b>	<b>12,741,279,429.72</b>
<b>Money market instruments</b>				
Bonds <sup>24)</sup>	7,365,582,078.07	7,176,582,159.60	7,158,228,503.08	7,125,385,745.63
Fixed-income funds <sup>25)</sup>	3,979,682,210.44	3,392,020,575.83	3,518,561,906.20	2,738,912,732.38
Foreign currency funds <sup>26)</sup>	170,759,157.95	149,829,307.71	176,562,062.12	149,829,307.71
Money market investments	971,502,085.56	971,541,758.01	479,338,588.22	479,369,179.96
	<b>12,487,525,532.02</b>	<b>11,689,973,801.15</b>	<b>11,332,691,059.62</b>	<b>10,493,496,965.68</b>
<b>Loans receivable from other than real estate companies <sup>11)</sup></b>	832,667,114.38	832,667,114.38	863,509,777.43	863,509,777.43
<b>Total other investments</b>	<b>26,594,160,172.53</b>	<b>25,185,076,058.12</b>	<b>26,414,538,068.26</b>	<b>24,098,286,172.83</b>
<b>Total investments</b>	<b>29,044,086,433.17</b>	<b>27,674,344,824.43</b>	<b>28,642,687,280.00</b>	<b>26,389,943,841.50</b>

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

	2011	2010
Valuation difference between market value and acquisition cost	1,369,741,608.74	2,252,743,438.50
Negative valuation difference of derivatives	-173,414,370.91	-73,904,489.03
<b>Total valuation difference</b>	<b>1,196,327,237.83</b>	<b>2,178,838,949.47</b>

## 6.2 Changes in tangible and intangible assets <sup>10)</sup>

	Intangible rights <sup>*)</sup> EUR	Land areas in own use <sup>**)</sup> EUR	Buildings in own use <sup>**)</sup> EUR	IT hardware EUR	Machinery and equipment EUR	Other EUR	Total EUR
Completed 1 Jan. 2011	2,514,815.07	10,430,571.00	35,860,758.52	1,976,160.31	2,247,674.26	2,362,288.95	55,392,268.11
In progress 1 Jan. 2011	24,701,340.95			206,804.15			24,908,145.10
<b>Balance 1 Jan. 2011</b>	<b>27,216,156.02</b>	<b>10,430,571.00</b>	<b>35,860,758.52</b>	<b>2,182,964.46</b>	<b>2,247,674.26</b>	<b>2,362,288.95</b>	<b>80,300,413.21</b>
<b>Changes in 2011</b>							
Completed investments	9,365,749.88			388,574.22	682,011.15		10,436,335.25
Investments in progress	3,990,735.98			921,898.59			4,912,634.57
Transfer from investments in progress to completed				-206,804.15			-206,804.15
Sales					-87,791.15		-87,791.15
Planned depreciation	-805,303.17		-1,232,126.87	-551,370.11	-506,423.77		-3,095,223.92
<b>Change for the year</b>	<b>12,551,182.69</b>		<b>-1,232,126.87</b>	<b>552,298.55</b>	<b>87,796.23</b>		<b>11,959,150.60</b>
Completed 31 Dec. 2011	11,075,261.78	10,430,571.00	34,628,631.65	1,813,364.42	2,335,470.49	2,362,288.95	62,645,588.29
In progress 31 Dec. 2011	28,692,076.93			921,898.59			29,613,975.52
<b>Balance 31 Dec. 2011</b>	<b>39,767,338.71</b>	<b>10,430,571.00</b>	<b>34,628,631.65</b>	<b>2,735,263.01</b>	<b>2,335,470.49</b>	<b>2,362,288.95</b>	<b>92,259,563.81</b>

<sup>\*)</sup> long-term IT expenses

<sup>\*\*)</sup> included in the balance sheet's real estate investments item

## 6.3 Loans by debtor <sup>11)</sup>

Debtors	31 Dec. 2011		31 Dec. 2010	
	Book value EUR	%	Book value EUR	%
<b>Subsidiary, associated and real estate companies</b>	<b>167,096,248.77</b>	<b>16.7</b>	<b>153,596,095.09</b>	<b>15.1</b>
<b>Others</b>				
Cities	250,873,669.22	25.1	241,615,127.57	23.8
Municipalities	159,612,557.78	16.0	171,596,970.49	16.9
Joint municipal boards	69,438,705.54	6.9	74,757,941.85	7.4
Public companies	140,017,122.22	14.0	154,902,731.88	15.2
Private companies	148,335,330.83	14.8	152,076,737.17	15.0
Åland	15,788,975.75	1.6	16,365,396.96	1.6
Housing corporations	24,682,106.02	2.5	27,219,202.30	2.7
Other financial institutions	35,000.00	0.0	40,000.00	0.0
Other non-profit organisations	16,817,233.96	1.7	18,977,152.77	1.9
Others	7,066,413.06	0.7	5,958,516.44	0.6
	<b>832,667,114.38</b>	<b>83.3</b>	<b>863,509,777.43</b>	<b>84.9</b>
<b>Total loan portfolio</b>	<b>999,763,363.15</b>	<b>100.0</b>	<b>1,017,105,872.52</b>	<b>100.0</b>

## 6.4 Other receivables and prepayments <sup>12)</sup>

Other receivables	31 Dec. 2011 EUR	31 Dec. 2010 EUR
Interest	954,270.11	1,002,884.31
Rent	445,868.28	936,470.32
Pension	1,205,669.16	629,211.60
Withholding tax on dividends	4,877,650.56	5,962,238.88
Sales of securities	1,062,602.65	38,753,808.52
State Treasury	15,903,281.86	15,497,647.99
Others	1,772,820.99	6,605,056.16
<b>Total other receivables</b>	<b>26,222,163.61</b>	<b>69,387,317.78</b>

Prepayments	31 Dec. 2011 EUR	31 Dec. 2010 EUR
Balancing payments to local gov. pensions	0.00	241,267,113.80
Balancing payments to Ev.-Luth. Church pensions	11,080,063.50	0.00
Balancing payments to Kela pensions	5,151,533.41	0.00
Other prepayments	4,313,437.99	3,192,247.44
<b>Total prepayments</b>	<b>20,545,034.90</b>	<b>244,459,361.24</b>

## 6.5 Other accrued income <sup>13)</sup>

	31 Dec. 2011 EUR	31 Dec. 2010 EUR
State Treasury	75,951,906.57	2,734,333.49
Central Church Fund	16,096.36	0.00
Social Insurance Institution (Kela)	130,303.58	8,094.00
Finnish Centre for Pensions	7,589,301.92	0.00
Others	324,246.21	51,911.12
<b>Total other accrued income and prepayments</b>	<b>84,011,854.64</b>	<b>2,794,338.61</b>

## 6.6 Pension liability fund <sup>14)</sup>

	<b>2011 EUR</b>	<b>2010 EUR</b>
Fund capital 1 Jan.	29,439,982,950.43	25,371,962,221.73
Increase	486,321,948.86	4,068,020,728.70
<b>Fund capital 31 Dec.</b>	<b>29,926,304,899.29</b>	<b>29,439,982,950.43</b>

## 6.7 Other liabilities <sup>15)</sup>

	<b>31 Dec. 2011 EUR</b>	<b>31 Dec. 2010 EUR</b>
PAYE and social security contributions	61,729,342.69	57,746,098.51
PAYE, state pensions	72,048,952.87	0.00
Value added tax	2,733,617.08	2,611,788.82
Trade payables	4,867,808.55	6,257,442.18
Purchases of securities	104,335.73	4,015,871.98
Other liabilities	636,334.17	567,505.21
<b>Total other liabilities</b>	<b>142,120,391.09</b>	<b>71,198,706.70</b>

## 6.8 Accrued liabilities and deferred income <sup>16)</sup>

	<b>31 Dec. 2011 EUR</b>	<b>31 Dec. 2010 EUR</b>
Negative market value of derivatives	173,414,370.91	73,904,489.02
Wages, salaries and holiday pay	7,358,205.98	6,681,763.12
Liability dispersion for VILMA pensions		5,169,405.52
State Treasury	64,908,146.93	0.00
Other accrued liabilities and deferred income	4,612,766.97	6,312,740.38
<b>Total accrued liabilities and deferred income</b>	<b>250,293,490.79</b>	<b>92,068,398.04</b>

## 6.9 Receivables and liabilities, subsidiary and associated companies <sup>17)</sup>

<b>Receivables</b>	<b>31 Dec. 2011 EUR</b>	<b>31 Dec. 2010 EUR</b>
Loan receivables from subsidiary, associated and real estate companies <sup>1)</sup>	167,096,248.77	153,596,095.09
Capital loans to other real estate companies <sup>1)</sup>	1,834,123.03	1,834,123.03
Other receivables from real estate subsidiary companies <sup>2)</sup>	7,355,031.11	4,097,203.81
Prepayments and accrued income from real estate subsidiary and associated companies <sup>3)</sup>	430,410.38	76,424.89
<b>Total receivables</b>	<b>176,715,813.29</b>	<b>159,603,846.82</b>

<b>Liabilities</b>	<b>31 Dec. 2011 EUR</b>	<b>31 Dec. 2010 EUR</b>
Liabilities to real estate subsidiary and associated companies <sup>4)</sup>	797,896.76	401,523.97
<b>Total liabilities</b>	<b>797,896.76</b>	<b>401,523.97</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>18)</sup>

31 Dec. 2011		Book value	
Company name	Holding %	i.e. market value EUR	Acquisition cost EUR
<b>Land areas and buildings for own use</b>			
Unioninkatu 43	100.00%	44,101,683.55	44,101,683.55
Järsö course centre and cottages	100.00%	957,519.10	957,519.10
		<b>45,059,202.65</b>	<b>45,059,202.65</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%	420,321.40	420,321.40
<b>Total land areas, sites and buildings</b>		<b>3,920,321.40</b>	<b>3,920,321.40</b>
<b>Real estate shares</b>			
<b>Real estate subsidiary companies</b>			
Asunto Oy Tampereen Pellavanlikka	100.00%	9,425,000.00	8,043,957.50
Kiint. Oy Helsingin Vattuniemenkatu 21	100.00%	6,500,000.00	8,333,225.94
Kiint. Oy Lintulahdenkulma	100.00%	8,400,000.00	23,925,831.26
Kiinteistö Oy Abraham Wetterintie 6	100.00%	38,110,325.58	50,758,308.66
Kiinteistö Oy Albertinkatu 34	100.00%	20,900,000.00	15,433,166.76
Kiinteistö Oy Aurajoenranta	100.00%	32,700,000.00	23,539,621.88
Kiinteistö Oy Espoon Itsehallintotie 2-4	100.00%	10,700,000.00	8,242,314.32
Kiinteistö Oy Espoon Keilasatama 5	100.00%	56,934,999.65	51,762,615.43
Kiinteistö Oy Espoon Komentajankatu 4	100.00%	3,092,819.49	1,981,822.18
Kiinteistö Oy Espoon Suviniitty	100.00%	4,900,000.00	5,012,238.13
Kiinteistö Oy Gaselli	100.00%	59,700,000.00	42,600,092.50
Kiinteistö Oy Hatanpään Elisa	100.00%	4,200,000.00	3,339,932.56
Kiinteistö Oy Haukipurontie	100.00%	50,900,000.00	40,160,820.58
Kiinteistö Oy Helsingin Apollonkatu 10	100.00%	17,200,000.00	9,061,442.12
Kiinteistö Oy Helsingin Auringonkehrä	100.00%	14,300,000.00	11,445,677.26
Kiinteistö Oy Helsingin Hämeentie 17 a	100.00%	5,845,001.53	2,988,083.27
Kiinteistö Oy Helsingin Kaivonkatsojantie 8	100.00%	3,508,906.40	2,099,712.13
Kiinteistö Oy Helsingin Kuparitalo	100.00%	24,500,000.00	23,564,712.39
Kiinteistö Oy Helsingin Merikorttikuja 4	100.00%	7,200,000.00	7,403,596.78
Kiinteistö Oy Helsingin Pohjoinen Rautatiekatu 25	100.00%	17,500,000.00	17,795,345.56
Kiinteistö Oy Helsingin Rukkilantie 7-9	100.00%	4,300,000.00	4,191,652.96
Kiinteistö Oy Helsingin Strömberginaukio	100.00%	24,800,000.00	30,914,013.58
Kiinteistö Oy Helsingin Suvilahdenkatu 6	100.00%	5,823,670.88	3,911,202.91
Kiinteistö Oy Helsingin Tapulikaupungintie 11	100.00%	4,700,000.00	4,158,489.83
Kiinteistö Oy Helsingin Tyynenmerenkatu 3	100.00%	534,186.42	534,186.42
Kiinteistö Oy Helsingin Työpajankatu 13	100.00%	70,400,000.00	51,190,298.39
Kiinteistö Oy Helsingin Valimotie 17-19	100.00%	44,100,000.00	71,829,570.45
Kiinteistö Oy Helsingin Veneentekijänranta	100.00%	6,800,000.00	5,172,079.95
Kiinteistö Oy Hermannin Tuulensuuntori	100.00%	22,500,000.00	26,397,069.52
Kiinteistö Oy Hermian Bitti	100.00%	30,900,000.00	32,806,859.25
Kiinteistö Oy HTC Santa Maria	100.00%	19,500,000.00	22,410,850.14
Kiinteistö Oy HTC Vega	100.00%	30,500,000.00	25,885,992.30
Kiinteistö Oy Jokiniementalo	100.00%	8,600,000.00	6,680,794.11
Kiinteistö Oy Jyväskylän Isohovi	100.00%	1,700,000.00	1,346,364.70
Kiinteistö Oy Jyväskylän Schaumanin Puistotie 11	100.00%	3,500,000.00	2,837,202.36
Kiinteistö Oy Kaapelipuisto	100.00%	11,200,000.00	6,651,487.61
Kiinteistö Oy Kaarenmänty	100.00%	2,000,000.00	1,517,825.16
Kiinteistö Oy Kaarenpetäjä	100.00%	2,108,150.61	1,552,866.52
Kiinteistö Oy Kalliokrouvi	100.00%	4,400,000.00	3,766,303.52
Kiinteistö Oy Karanlahti	100.00%	2,500,000.00	4,565,710.35



Kiinteistö Oy Keilarannanpuisto	100.00%	38,293,981.09	45,739,859.67
Kiinteistö Oy Kiirulankulma	100.00%	3,700,000.00	10,506,686.26
Kiinteistö Oy Kipparin Kruunu	100.00%	32,700,000.00	26,869,417.27
Kiinteistö Oy Konalankuja 1-3	100.00%	5,500,000.00	16,019,196.60
Kiinteistö Oy Kotkan Kaivokaari	100.00%	7,900,000.00	6,302,075.15
Kiinteistö Oy Kouvolan Hansakaari	100.00%	2,507,373.52	1,807,467.30
Kiinteistö Oy Kulma-Sarvis	100.00%	16,300,000.00	16,090,780.91
Kiinteistö Oy Kuopion Haapaniemenkatu 18	100.00%	10,000,000.00	8,232,087.59
Kiinteistö Oy Kuopion Kirkkokatu 1	100.00%	5,800,000.00	7,223,582.20
Kiinteistö Oy Kuopion Safiiri	100.00%	8,200,000.00	8,389,277.38
Kiinteistö Oy Kuopion Särkiranta 6	100.00%	2,200,000.00	2,068,385.89
Kiinteistö Oy Kuopion Tulliportinkatu 3	100.00%	2,150,000.00	1,832,082.54
Kiinteistö Oy Käsityöläiskatu 18	100.00%	10,900,000.00	9,426,323.28
Kiinteistö Oy Lahden Apilakatu 4	100.00%	14,700,000.00	18,086,710.70
Kiinteistö Oy Lahden Laaksokatu 7	100.00%	3,050,000.00	2,301,388.20
Kiinteistö Oy Lahden Rauhankatu 5	100.00%	3,422,160.80	3,090,719.11
Kiinteistö Oy Lakelanportti	100.00%	5,700,000.00	4,120,251.48
Kiinteistö Oy Lappeenrannan Porarinpohku 1	100.00%	2,000,000.00	1,901,934.24
Kiinteistö Oy Lappeenrannan Valtakatu 43	100.00%	4,500,000.00	4,043,227.37
Kiinteistö Oy Mastokoukku	100.00%	11,200,000.00	13,025,396.37
Kiinteistö Oy Menuetto	100.00%	36,300,000.00	34,050,231.28
Kiinteistö Oy Oulun Tullipuomi	100.00%	10,100,000.00	8,690,231.14
Kiinteistö Oy Paciuksenkatu 21	100.00%	24,200,000.00	24,399,333.20
Kiinteistö Oy Piispanpuro	100.00%	574,785.19	574,785.19
Kiinteistö Oy Porin Valta-Antti	100.00%	3,048,960.02	2,653,270.61
Kiinteistö Oy Powergate Vaasa	100.00%	6,350,000.00	6,350,364.74
Kiinteistö Oy Quartetto	100.00%	23,000,000.00	29,400,565.47
Kiinteistö Oy Ratinanraitti	100.00%	8,200,346.62	8,200,346.62
Kiinteistö Oy Rauman Kanalinparras	100.00%	3,100,000.00	2,752,329.08
Kiinteistö Oy Riihentausta	100.00%	2,350,000.00	3,468,151.03
Kiinteistö Oy Riihimäen Merkurius	100.00%	1,450,000.00	1,855,953.77
Kiinteistö Oy Rovaniemen Ahjotie 30	100.00%	4,438,021.05	8,779,625.68
Kiinteistö Oy Rovaniemen Pohjanpuistikko	100.00%	15,300,000.00	12,758,706.16
Kiinteistö Oy Ruoholahdenkatu 8	100.00%	14,700,000.00	39,708,985.16
Kiinteistö Oy Seinäjoen Alkionkatu 4	100.00%	1,700,000.00	1,409,197.56
Kiinteistö Oy Seinäjoen Torikatu 21	100.00%	2,280,550.16	1,766,238.60
Kiinteistö Oy Sofianlehdonkadun senioritalo	100.00%	10,200,000.00	7,687,403.47
Kiinteistö Oy Spektrin Kvartti	100.00%	11,600,000.00	16,839,043.51
Kiinteistö Oy Sörnäisten Rantatie 31	100.00%	5,300,000.00	7,664,739.13
Kiinteistö Oy Tampereen Hovi-Sarvis	100.00%	7,200,000.00	5,234,155.71
Kiinteistö Oy Tampereen Hämeenkadunaukio	100.00%	19,400,000.00	15,980,768.70
Kiinteistö Oy Tampereen Ilveshotelli	100.00%	54,900,000.00	41,065,229.73
Kiinteistö Oy Tampereen Tarmontalo	100.00%	10,700,000.00	8,794,211.99
Kiinteistö Oy Tampereen Tullinkulma	100.00%	7,600,000.00	6,163,151.15
Kiinteistö Oy Tirkkosentalo	100.00%	12,200,000.00	9,019,315.27
Kiinteistö Oy Turun Catharina	100.00%	850,000.00	1,741,211.51
Kiinteistö Oy Turun Kaakelinna	100.00%	7,200,000.00	9,738,900.06
Kiinteistö Oy Turun Pakkarinpuisto	100.00%	3,300,000.00	6,617,484.93
Kiinteistö Oy Turun Panimonlinna	100.00%	8,900,000.00	13,427,725.04
Kiinteistö Oy Turun Telakkaranta	100.00%	12,800,000.00	10,962,425.51
Kiinteistö Oy Turun Väinämöinen	100.00%	12,300,000.00	10,596,060.19
Kiinteistö Oy Tuusulan Kievarinkaari	100.00%	2,850,000.00	2,093,375.36
Kiinteistö Oy Tuusulan Pakkasraitti 2A	100.00%	13,079,167.00	13,305,396.40
Kiinteistö Oy Vaasan Pitkätie 52	100.00%	1,700,000.00	1,298,377.65
Kiinteistö Oy Valimotie 15	100.00%	15,000,000.00	23,789,463.13
Kiinteistö Oy Vantaan Hakkilankaari 1	100.00%	16,900,000.00	9,440,691.31
Kiinteistö Oy Vantaan Kielotie 50	100.00%	4,400,000.00	4,383,670.96
Kiinteistö Oy Vantaan Lähettäläntie 7	100.00%	7,300,000.00	6,699,596.98
Kiinteistö Oy Vantaan Myllymäentie 3	100.00%	8,200,000.00	6,149,214.59

Kiinteistö Oy Vantaan Puutarharanta	100.00%	2,625,271.59	1,398,672.40
Kiinteistö Oy Westport	100.00%	21,800,000.00	24,227,239.99
Kiinteistö Oy Värитеhtaankatu 4	100.00%	8,100,000.00	4,685,032.40
Kiinteistö Oy Tilkanhovi	99.99%	5,100,000.00	3,398,342.94
Kiinteistö Oy Helsingin Kaarlenkatu 9 -11	99.56%	14,500,000.00	10,966,006.14
Kiinteistö-oy Rekipellonpuisto 1	98.93%	6,500,000.00	7,360,527.42
Kiinteistö Oy Lohjantähti	86.46%	10,100,000.00	31,106,968.58
Kiinteistö Oy Mikonkatu 2 - Pohjoisesplanadi 35	84.18%	48,300,000.00	33,998,967.00
Kiinteistö Oy Kirkkonummen Kunnantalo	81.00%	21,259,710.71	21,259,710.71
Kiinteistö Oy Rukavarri	78.25%	1,243,290.22	1,243,290.22
Kiinteistö Oy Pohjoisesplanadi 37	68.98%	30,100,000.00	24,667,506.42
Kiinteistö Oy Tampereen Hämeenkatu 11	66.59%	13,900,000.00	9,602,100.89
Kiinteistö Oy Helsingin Liisankatu 14	55.87%	14,800,000.00	13,925,957.68
<b>Total real estate subsidiary companies</b>		<b>1,497,406,678.53</b>	<b>1,486,240,437.11</b>
<b>Shares in associated companies</b>			
Kiinteistö Oy Kauppakeskus Sello	49.00%	111,465,173.53	55,609,014.59
Leppävaaran Hotelliikiinteistö Oy	49.00%	5,343,525.00	2,413,359.28
Asunto Oy Espoon Sellonhuippu	49.00%	5,329,143.40	5,329,143.40
Kiinteistö Oy Selloparkki	24.81%	1,470,000.00	3,391,951.86
Kiinteistö Oy Massun Parkki	22.92%	955,153.22	955,153.22
<b>Total associated companies</b>		<b>124,562,995.15</b>	<b>67,698,622.35</b>
<b>Other real estate shares</b>			
Asunto Oy Espoon Sellonkulma	18.38%	7,000,000.00	3,277,451.58
Kiinteistö Oy Kluuvin Pysäköinti	11.33%	43,028.53	43,028.53
Asunto Oy Kuusiniementie 6	7.44%	410,550.69	410,550.69
Asunto Oy Mikonkatu 20	5.40%	740,395.52	738,303.33
Asunto Oy Laivastokatu 8-10	3.31%	1,148,080.00	1,148,080.00
Bostadsaktiebolaget Semafor	2.60%	1,319,784.00	1,319,784.00
<b>Total other real estate shares</b>		<b>10,661,838.74</b>	<b>6,937,198.13</b>
<b>Total real estate shares</b>		<b>1,632,631,512.42</b>	<b>1,560,876,257.59</b>
<b>Other real estate investments</b>			
<b>Holdings in real estate funds</b>			
Capman Hotels Real Estate Ky	18.05%	48,427,896.00	56,907,499.10
Franklin Templeton Asian Real Estate Fund	19.58%	41,290,110.46	37,870,139.85
Fosca II, SCA	13.33%	37,653,000.00	36,000,000.00
Rockspring UK Value Fund, L.P.	10.42%	36,174,876.09	33,887,478.70
Exilion Capital Kiinteistörahasto I Ky	56.62%	35,565,888.00	38,500,000.00
AIPP Asia Select	30.00%	31,789,604.40	24,936,037.64
CBRE SPE III	6.63%	29,949,806.00	49,325,000.00
Grosvenor Retail European Properties S.A. (GREP)	18.60%	28,644,000.00	24,120,206.90
IRUS European Retail Property Fund	6.25%	28,433,832.88	30,000,000.00
EPI Russia I Ky	27.16%	25,722,872.00	40,000,000.00
Sierra Portugal Fund	16.67%	24,671,600.00	46,144,419.00
AXA European Logistics	22.08%	24,642,548.81	35,615,380.01
Aberdeen Property Finland I Ky	22.73%	23,654,844.51	29,999,999.99
EPI HealthCare I Ky	27.50%	21,072,168.00	16,500,000.00
G:Res 1 Limited	10.00%	18,728,078.97	29,711,059.94
Franklin Templeton European Real Estate Fund	19.09%	17,039,654.81	35,134,148.01
Grosvenor French Retail Investments S.A	7.41%	15,802,963.00	16,291,034.00
AXA	8.63%	14,960,149.00	13,612,016.00
CapMan RE II	13.33%	14,604,000.00	14,604,000.01
UBS (Lux) Euro Value Added Real Estate Fund	8.04%	13,800,000.00	16,765,200.00
		<b>532,627,892.93</b>	<b>625,923,619.15</b>
Others		66,756,959.44	84,558,993.72

<b>Total holdings in real estate funds</b>		<b>599,384,852.37</b>	<b>710,482,612.87</b>
<b>Other real estate investments</b>			
Kiinteistö Oy Kluuvun Pysäköinti	11.33%	1,834,123.03	1,834,123.03
<b>Total other real estate investments</b>		<b>601,218,975.40</b>	<b>712,316,735.90</b>
<b>Total real estate investments</b>		<b>2,237,770,809.22</b>	<b>2,277,113,314.89</b>
<b>Total real estate and shares in real estate</b>		<b>2,282,830,011.87</b>	<b>2,322,172,517.54</b>

## 6.11 Major shareholdings <sup>19)</sup>

31 Dec. 2011		Book value i.e.	
Name	Number of shares	market value EUR	Acquisition cost EUR
Nestle SA	1,707,595	75,855,651.53	59,866,569.14
Royal Dutch Shell Plc	2,403,235	68,606,989.78	56,541,966.41
Taiwan Semiconductor Manufacturing Co Ltd	29,570,551	57,024,595.70	40,818,692.02
HSBC Holdings Plc	9,215,664	54,132,501.99	75,993,439.77
Vodafone Group Plc	23,576,433	50,494,718.83	54,353,169.73
Novartis AG	1,138,664	50,301,297.14	43,726,866.18
BHP Billiton	2,216,598	49,822,260.17	37,923,528.67
Unilever Plc	5,931,508	48,976,245.50	33,378,382.14
GlaxoSmithKline Plc	2,599,287	48,655,884.53	53,705,492.90
Samsung Electronics Ltd	133,617	46,160,691.78	24,812,681.34
Metso Oyj	1,575,380	45,134,637.00	44,512,340.32
Sampo Oyj	2,341,642	44,889,277.14	39,993,880.91
TotalFinaElf SA	1,086,399	42,912,760.50	55,317,302.73
Roche Holding AG	310,877	40,713,736.76	41,578,970.40
Oversea-Chinese Banking Corp. Ltd	8,098,510	37,672,048.85	28,902,816.00
Standard Chartered Plc	2,201,608	37,117,115.51	32,085,348.74
QBE Insurance Group Ltd	3,256,531	33,304,958.32	35,813,699.07
Siemens AG	395,510	29,244,009.40	31,818,444.07
UPM-Kymmene Oyj	3,430,035	29,189,597.85	33,534,862.38
DBS Group Holdings Ltd	4,165,122	28,505,755.88	33,808,488.77
British American Tobacco Plc	1,055,809	28,335,518.11	14,545,448.37
Cheung Kong Holdings Ltd	2,868,000	26,284,232.49	26,821,122.14
Sanofi-Aventis	458,813	26,037,637.75	21,716,674.59
Telefonica SA	1,916,673	25,654,668.11	32,968,910.16
Kone Oyj	638,283	25,595,148.30	14,221,267.12
BG Group Plc	1,485,510	24,479,881.66	9,122,359.90
Astrazeneca Plc	682,057	24,292,105.53	27,033,454.68
Hong Kong & China Gas Co Ltd	13,367,940	23,866,084.53	15,938,538.41
Singapore Telecommunications Ltd	12,869,000	23,624,119.79	19,605,876.69
BASF AG	423,280	22,810,559.20	16,804,022.25
Nokia Oyj	5,836,198	22,014,138.86	42,343,611.93
China Mobile Ltd	2,882,000	21,696,013.08	16,531,324.60
Banco Santander Central Hispano SA	3,632,882	21,325,017.34	37,719,385.65
Newcrest Mining Ltd	855,206	19,991,545.03	10,996,609.48
Fortum Oyj	1,200,557	19,797,184.93	31,267,728.06
Jardine Strategic Holdings Ltd	918,038	19,567,932.32	7,787,725.76
Rio Tinto Plc	510,000	19,079,827.25	15,883,914.66
Diageo Plc	1,122,853	18,906,892.67	14,054,865.90
ENI-Ente Nazionale Idrocarburi S.p.A	1,131,315	18,112,353.15	21,255,429.84
AIA Group Ltd	7,518,800	18,084,414.70	15,091,398.62
TeliaSonera AB	3,422,409	17,929,971.92	18,250,848.03
Nordea AB	2,933,797	17,529,581.48	21,589,847.01
Anglo American Plc	607,273	17,295,611.96	13,189,480.36
Swire Pacific Ltd	9,391,000	17,165,375.29	9,586,170.90
Novo-Nordisk A/S	193,038	17,137,698.74	3,130,918.00
Axiata Group Berhad	13,615,100	17,005,907.50	15,597,975.35
Tesco Plc	3,520,047	17,001,831.22	15,000,487.11
Outotec Oyj	465,056	16,928,038.40	14,441,175.05

Bayer AG	338,322	16,713,106.80	17,251,729.42
Infosys Technologies Ltd	415,000	16,660,919.71	13,791,147.97
SAP AG	391,258	15,982,889.30	11,542,066.20
UBS AG	1,705,162	15,682,552.78	16,872,617.71
Abb Ltd	1,072,553	15,599,487.53	12,178,991.51
LVMH Moët Hennessy Louis Vuitton SA	139,388	15,249,047.20	13,490,053.81
Kesko Oyj	584,938	15,184,990.48	14,851,537.40
Allianz AG	204,400	15,107,204.00	18,681,930.71
Gaz de France Suez	715,051	15,101,877.12	29,217,606.36
Woodside Petroleum Limited	613,658	14,839,371.11	15,947,328.43
Wesfarmers Ltd	635,223	14,798,992.15	13,188,003.42
E.ON AG	887,760	14,798,959.20	20,855,996.63
DaimlerChrysler AG	430,076	14,588,177.92	16,572,579.08
Dairy Farm International Holdings Ltd	2,019,300	14,513,013.84	4,620,119.55
PetroChina Co Ltd	14,974,000	14,361,787.11	8,833,381.44
Housing Development Finance Corp.	1,505,000	14,234,988.03	7,428,473.25
Banco Bilbao Vizcaya Argentaria S.A.	2,126,120	14,202,481.60	21,757,768.82
CSL LTD	553,397	13,985,264.62	10,679,369.95
PTT Exploration & Production PCL	3,350,000	13,782,260.96	4,773,771.36
Groupe Danone	282,520	13,721,996.40	11,723,910.04
QR National Ltd	5,037,452	13,605,701.43	9,329,713.21
Anheuser-Busch InBev NV	286,778	13,566,033.29	10,088,053.29
National Grid Transco Plc	1,793,604	13,420,357.96	12,561,418.35
Singapore Technologies Engineering Ltd	8,340,000	13,328,175.00	10,179,402.73
E-Mart Co Ltd	71,382	13,317,280.77	7,813,854.78
Air Liquide	137,935	13,185,206.65	7,141,659.46
BNP Paribas	434,074	13,174,145.90	26,017,122.13
Imperial Tobacco Group Plc	451,436	13,159,902.55	9,223,399.17
Finnair Oyj	5,664,148	13,027,540.40	18,123,944.24
Zurich Financial Services AG	74,152	12,962,569.92	13,440,971.90
Hennes&Mauritz AB	521,326	12,945,404.38	12,275,931.10
United Overseas Bank Ltd	1,408,107	12,774,004.07	10,057,005.22
Siam Cement Plc	1,408,000	12,582,284.38	7,244,495.46
SabMiller Plc	458,252	12,434,193.20	9,393,625.23
Deutsche Bank AG Frankfurt	420,981	12,391,575.73	14,070,508.23
Reckitt Benckiser Plc	323,573	12,318,474.08	12,070,291.08
Statoil ASA	621,001	12,293,481.24	13,229,283.43
Xstrata Plc	1,028,889	12,046,611.30	8,342,887.73
Deutsche Telecom AG	1,330,611	11,795,866.51	14,053,508.38
Syngenta AG	51,204	11,583,662.39	3,485,039.24
L'Oreal SA	142,315	11,484,820.50	11,370,390.31
City Developments Ltd	2,149,000	11,362,627.72	8,270,315.42
Barclays Plc	5,321,924	11,216,625.41	28,479,310.40
ING Groep N.V.	2,015,347	11,205,329.32	16,243,676.64
Schneider Electric SA	262,037	10,659,665.16	6,732,373.66
Ericsson LM Telefonaktiebolaget	1,334,785	10,544,082.59	13,411,091.39
Enel Spa	3,325,863	10,456,513.27	16,097,474.96
AmorePacific Corp.	14,823	10,427,362.93	9,403,714.52
France Telecom	848,466	10,296,134.91	13,397,497.79
Repsol YPF S.A.	433,213	10,282,310.55	10,839,307.20
Samsung Fire & Marine Insurance	72,733	10,262,108.39	7,174,487.23
Prudential PLC	1,332,404	10,184,843.22	9,805,187.94
Stanley Black & Decker Inc.	195,450	10,177,883.86	7,976,558.34
Axa	1,001,009	10,055,135.40	14,937,226.28
Philippine Long Distance Telephone	223,721	9,930,134.39	8,106,288.76

Company			
Wärtsilä Oyj	443,304	9,894,545.28	9,330,801.05
ASM Pacific Technology Ltd	1,106,500	9,564,515.86	4,810,879.92
Dun & Bradstreet Corporation	163,025	9,397,342.91	8,575,463.20
BT Group Plc	4,056,133	9,269,912.48	12,650,814.99
President Chain Store Corp.	2,202,192	9,244,272.03	3,717,017.46
Hutchison Whampoa Limited	1,430,000	9,226,298.90	9,354,559.56
Taiwan Mobile Co.Ltd	3,753,951	9,015,590.68	3,576,548.21
BMW Bayerische Motoren Werke AG	174,036	9,008,103.37	4,644,410.45
Rolls Royce Plc	994,700	8,889,543.28	5,897,869.35
LG Corp.	216,320	8,881,527.94	8,541,866.17
Vivendi Environnement	523,971	8,865,589.32	12,185,404.67
Iberdola S.A.	1,829,893	8,854,852.23	10,460,125.99
Vinci SA	262,282	8,854,640.32	12,147,950.24
Hemes International	38,016	8,756,985.60	2,474,407.77
Münchener Rück AG	92,120	8,731,133.60	10,156,319.93
China Resources Power Holdings Co Ltd	5,848,000	8,688,871.19	7,621,150.89
Koninklijke KPN NV	938,989	8,680,953.30	9,948,438.91
Stora Enso Oyj	1,873,393	8,670,062.80	13,186,716.63
Philips Electronics NV	528,845	8,609,596.60	7,761,127.12
Assicurazioni Generali SpA	735,023	8,548,317.49	13,020,451.75
Nokian Renkaat Oyj	340,532	8,472,436.16	9,578,306.23
Credit Suisse Group	451,335	8,194,277.27	14,976,792.39
Pernod-Ricard	110,986	7,953,256.75	7,591,417.88
Woolworths Limited	400,000	7,928,985.47	7,818,541.68
Banca Intesa S.p.A.	6,039,048	7,814,528.11	20,477,819.73
Shire Pharmaceuticals Plc	290,883	7,810,972.93	3,915,609.98
Hang Lung Properties Ltd	3,562,000	7,807,830.39	6,708,747.72
Linde AG	67,869	7,801,541.55	4,361,076.74
ASM Holding NV	235,072	7,633,963.20	4,319,613.71
Idea Cellular Ltd	6,341,348	7,570,440.13	8,592,702.00
Compass Group Plc	1,025,122	7,498,498.05	3,695,487.27
Link REIT	2,600,380	7,376,443.70	5,197,953.14
Swiss Re Ltd	184,950	7,283,281.10	6,932,325.77
		2,500,630,552.09	2,349,857,629.07
Others		1,099,977,389.39	1,301,316,253.21
<b>Total</b>		<b>3,600,607,941.48</b>	<b>3,651,173,882.28</b>

## 6.12 Equity funds <sup>20)</sup>

31 Dec. 2011	Book value i.e. market value EUR	Acquisition cost EUR
<b>Index funds</b>		
Vanguard Institutional Index Fund	1,192,574,031.01	1,170,305,652.88
Vanguard Emerging Markets Stock Index Fund	520,764,164.07	539,865,050.67
DB X-Trackers MSCI Emerging Markets TRN Index ETF	216,617,987.50	207,948,204.09
	<b>1,929,956,182.58</b>	<b>1,918,118,907.64</b>
<b>Equity funds</b>		
JPMorgan Asset Emerging Markets Equity Focused Class I	326,238,650.78	198,719,563.99
Edinburgh Partners Pan European Opportunities	298,819,391.00	290,655,576.35
Russell Investment Company PLC - The Emerging Markets Equity Fund	254,335,351.24	224,957,936.26
Wellington Strategic European Equity	254,127,574.09	243,417,216.56
GS US Superconcentrated Growth Fund	245,557,409.56	228,597,961.71
Cramer Large Cap SIF US	245,146,426.12	226,552,535.19
Hotchkis and Wiley US Large Cap Value Fund	244,331,427.82	224,889,944.96
Wellington US LC Quality Value Fund	239,420,942.03	234,729,721.87
UBS Global US Growth	238,948,289.33	228,076,481.54
Skagen Kon-Tiki Emerging Markets Fund	217,861,617.27	167,110,809.42
Comgest Growth Emerging Markets Fund	216,617,965.74	139,448,709.50
ING L Invest Europe Opportunités	197,792,088.20	190,180,896.70
AllianceBernstein - Pacific Ex Japan Portfolio	186,003,924.13	200,000,000.00
Robeco Emerging Stars Equities Fund, I EUR Share	174,919,052.28	87,474,949.44
AllianceBernstein - Japan Strategic Value Portfolio	173,918,949.48	141,811,305.73
Nomura Funds Ireland - Japan Strategic Value Fund	171,653,089.37	142,645,668.14
Havenport - Asia Pacific Fund	166,294,000.00	200,000,000.00
Marathon Japan Equity Fund	165,685,604.89	141,788,181.95
Threadneedle Investment Funds ICVC - Pan European Smaller Companies Fund	152,187,801.09	116,867,029.84
Blackrock European Focus Fund	151,068,433.68	146,048,492.20
Taiyo Offshore Fund Ltd.	137,815,069.69	151,746,980.40
DWS Invest European Small/Mid Cap	133,102,151.96	118,570,356.45
Russian Prosperity Fund	125,943,016.27	104,883,652.24
Henderson Horizon Pan European Smaller Companies	125,668,745.43	130,499,999.90
Kempen International Funds - European Smallcap Fund	124,909,339.88	122,169,863.96
William Blair US Small-Mid Cap Growth Fund	115,643,549.13	109,248,098.99
Amundi SIF 2 - Equity US Small & Mid Cap	111,884,817.85	111,464,607.14
Fidelity Active Strategy - Japan Fund	103,506,364.50	91,894,374.11
Relational Investors XV L.P Fund	93,730,000.77	100,000,000.00
Russell Institutional Funds - Frontier Markets Equity Fund	86,328,014.41	101,973,123.03
Morant Wright Japan Fund Ltd	68,805,173.09	60,731,267.89
Arisaig Africa Fund	56,305,085.18	51,678,594.24
Blakeney Investors Emerging Markets Fund	36,476,172.30	40,378,655.78
	<b>5,641,045,488.56</b>	<b>5,069,212,555.48</b>
Other equity funds	18,658.89	88,160.15
<b>Total equity funds</b>	<b>7,571,020,330.03</b>	<b>6,987,419,623.27</b>

## 6.13 Major private equity fund investments <sup>21)</sup>

31 Dec. 2011	Book value i.e. market value EUR	Acquisition cost EUR
Keva Investments II L.P.	103,161,394.40	82,184,969.18
Keva Investments L.P.	77,661,955.19	83,480,332.87
Selected Opportunities KY	59,400,000.00	45,000,000.00
SAIF Partners III, L.P.	45,951,856.40	28,912,474.83
Advent International GPE-VI	45,703,101.00	41,119,002.00
EQT IV Limited	33,536,160.00	31,517,656.19
Warburg Pincus Private Equity VIII	32,500,986.71	15,266,092.44
Hitec Vision V L.P.	29,900,161.55	19,207,627.72
Bridgepoint Europe IV A	27,211,469.37	27,446,204.02
WLR Recovery Fund IV	26,962,325.53	27,598,208.15
Permira IV	26,112,190.00	26,318,512.00
Energy Capital II	25,583,156.35	21,801,495.69
Affinity Asia Pasific Fund III, L.P.	25,019,665.21	20,914,221.38
Triton Fund III	24,689,079.72	28,607,516.00
Genstar Capital Partners V L.P.	24,647,314.66	19,796,614.05
Altor Fund III L.P.	23,949,128.02	18,878,499.66
Indigo Capital V L.P.	23,131,069.00	26,317,312.25
Emerging Europe II	22,320,555.14	14,894,544.73
Permira Europe III	19,444,823.00	26,213,430.00
Water Street Healthcare II	19,166,219.96	6,884,428.98
TPG Partners IV L.P.	19,143,985.62	23,626,625.01
Polish Enterprise Fund V L.P.	18,576,909.51	15,506,164.68
Polish Enterprise Fund VI	18,129,084.99	23,202,810.24
Bain Capital IX L.P.	17,901,209.52	19,242,939.54
Advent GPE V	17,413,306.00	9,574,433.63
Intera Fund I Ky	16,696,198.00	15,936,700.87
Lindsay Goldberg III	16,605,006.57	18,455,034.47
Warburg Pincus International Partners	15,301,148.47	9,403,274.60
TA XI L.P.	15,175,032.85	13,902,300.55
Activa Capital Fund II FCPR	14,091,376.59	17,335,379.99
TorQuest Partners II (U.S.), L.P.	13,532,227.12	12,205,872.33
Wynnchurch Capital II L.P.	13,423,225.13	14,090,897.10
Mid Europa Fund III. L.P.	13,019,212.00	13,110,626.13
TA Atlantic and Pacific VI L.P.	12,730,802.23	11,885,418.54
Italian Private Equity Fund IV LP	12,452,095.00	19,363,712.99
HarbourVest Partners VI-Partnership Fund L.P.	12,440,463.71	24,314,822.54
Bowmark IV	11,730,340.00	12,125,228.33
Graphite Capital Partners VI	10,888,039.88	13,880,107.51
Baring Vostok PE Fund IV, L.P.	10,651,477.89	8,688,765.38
Bain Capital Fund VIII	8,748,152.10	8,428,201.46
Bertram II L.P.	8,696,272.50	8,685,222.64
HitecVision Asset Solutions	8,638,079.45	7,678,914.14
EQT IV Limited Secondary	8,623,584.00	8,002,663.53
Bowmark III	8,448,788.46	12,350,786.16
Sponsor Fund III KY	8,398,214.90	11,631,917.46
Graphite Capital Partners VII	8,130,054.39	7,404,722.64
Nordic Mezzanine Fund III	7,502,748.00	8,412,735.54
Genstar Capital Partners IV, L.P.	6,698,853.85	7,027,544.44



Astorg V	6,400,000.00	6,400,000.00
Innova 5 L.P	6,379,740.12	7,478,809.76
TA X L.P	6,231,826.26	7,029,074.22
Sponsor Fund II Ky	5,559,468.08	3,111,787.19
	<b>1,094,409,534.40</b>	<b>1,011,852,635.75</b>
Others	324,975,893.00	431,358,752.40
<b>Total</b>	<b>1,419,385,427.40</b>	<b>1,443,211,388.15</b>

## 6.14 Hedge funds <sup>22)</sup>

<b>31 Dec. 2011</b>	<b>Book value i.e. market value EUR</b>	<b>Acquisition cost EUR</b>
Mesirow Multi M F II	107,838,979.26	93,277,142.35
OZ Overseas Fund II	91,889,718.78	66,164,260.51
AllBlue Class A	83,063,677.15	74,999,999.98
King Street	69,610,928.41	60,336,626.97
Atlas Institutional Fund II, LLC	53,572,794.60	49,271,485.89
Davidson Kempner International, Ltd - Class C	52,217,663.85	49,101,072.67
Nektar Fund	51,746,814.05	50,000,000.00
MKP Credit Offshore	46,325,309.85	47,277,232.06
Taconic Opportunity Offshore Fund, Ltd - Class A	45,397,476.14	46,577,427.78
GoldenTree CLO Debt Investment Fund	15,508,280.69	15,359,893.13
Goldman Sachs Multi-Strategy P III	107,935.81	226,566.94
<b>Total</b>	<b>617,279,578.59</b>	<b>552,591,708.28</b>

## 6.15 Other shares and holdings in subsidiary and associated companies <sup>23)</sup>

31 Dec. 2011			
Company name	Holding %	Book value i.e. market value EUR	Acquisition 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>			
Kuntarahoytys Oy <sup>2)</sup>	30.66%	57,602,994.28	24,595,829.37
Exilion Capital Oy <sup>3)</sup>	25.00%	32,608.20	32,608.20
		<b>57,635,602.48</b>	<b>24,628,437.57</b>
<b>Total</b>		<b>57,649,057.52</b>	<b>24,641,892.61</b>

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

<sup>2)</sup> The equity according to the consolidated financial statements for 2011 is EUR 204,690,448.02. <sup>\*)</sup>  
The profit for the financial period is EUR 50,908,830.17. <sup>\*)</sup>

<sup>\*)</sup> Proposal to Annual General Meeting of Kuntarahoytys Oy to be held on 27 March 2012.

<sup>3)</sup> The equity according to the financial statements for 2011 is EUR 129,645.61.  
The profit for the financial period is EUR 2,837.14.

## 6.16 Major bond holdings by issuer <sup>24)</sup>

31 Dec. 2011	Book value i.e. market value EUR	Acquisition cost EUR
Issuer		
Finnish Government	996,698,684.97	966,491,896.00
German Government	983,244,369.80	956,739,794.24
Netherlandish Government	490,687,907.72	467,959,500.00
French Government	226,768,309.89	224,798,729.73
German postal pensions	194,637,840.28	177,253,507.69
Austrian Government	180,918,035.34	173,785,133.33
Swedish Government	146,966,804.74	140,225,768.58
Danish Government	109,756,612.60	104,491,532.35
Danske Bank	102,436,734.77	98,673,000.00
Aktia Pankki Oyj	97,192,925.42	94,928,600.00
Royal Bank of Scotland	86,761,963.98	88,057,690.00
Sparebanken	78,374,427.49	76,577,900.00
Credit Suisse	76,228,680.73	75,119,150.00
Polish Government	75,923,609.59	75,124,700.00
Nordea AB	75,744,029.56	77,660,050.00
Achmea Hypotheekbank	72,875,302.74	70,000,000.00
Dexia Municipal Agency	69,418,357.38	69,913,900.00
OKO Pankki Oyj	69,376,853.60	68,058,700.00
Nationwide Building Society	68,681,094.50	72,723,900.00
Stadshypotek	67,764,439.34	64,725,050.00
Northern Rock Plc	67,507,703.65	67,408,150.00
People's Republic of China	63,991,934.43	60,344,191.07
Société Générale	56,762,998.36	54,788,950.00
Banca Popolare Italiana	53,698,049.17	58,190,300.00
Erste Abwicklungsanstalt	52,304,576.51	49,868,000.00
Den Norske Bank ASA	50,302,218.80	49,662,300.00
HSBC Plc	49,504,591.97	47,985,971.11
Caja de Ahorros Galicia	47,996,393.44	49,601,500.00
Banca Popolare Di Milano	44,796,259.57	47,536,500.00
Intesa Sanpaolo S.p.A.	44,095,222.35	47,894,800.00
Sampo Housing Loan Bank	40,832,275.41	39,955,600.00
ABN Amro NV	39,708,134.43	38,518,900.00
UBS AG	38,852,435.86	37,428,394.29
Barclays Plc	38,600,167.61	41,705,940.00
Lloyds Tsb Group Plc	37,033,570.19	42,195,820.00
Coventry Building Society	36,102,391.48	35,904,240.00
SLM Student Loan	35,633,343.11	38,000,000.00
Credit Mutuel Arkea	34,517,694.27	34,848,100.00
Bank of Ireland	33,769,726.03	44,864,100.00
Statkraft	32,521,229.56	27,928,960.00
GE Capital	31,422,726.64	30,255,710.00
Vauban Mobilisation	30,557,260.27	29,715,000.00
Citigroup Plc	30,500,482.74	27,796,540.00
Monte dei Paschi di Siena S.p.A	30,313,823.06	32,111,200.00
	5,291,782,193.35	5,177,817,668.39
Others	2,073,799,884.72	1,998,764,491.21
<b>Total</b>	<b>7,365,582,078.07</b>	<b>7,176,582,159.60</b>

## 6.17 Fixed-income funds <sup>25)</sup>

<b>31 Dec. 2011</b>	<b>Book value i.e. market value EUR</b>	<b>Acquisition cost EUR</b>
Stone Harbor Emerging Markets Local Currency Debt Fund	786,512,407.40	582,355,757.22
SEB Institutional PI US High Yield Bonds	645,630,813.92	483,413,468.17
Wellington Emerging Local Debt Portfolio	613,961,574.31	612,903,871.27
Nordea Dedicated Investment Fund US High Yield Bond Fund	544,282,273.85	450,365,378.03
Natixis Loomis Sayles Institutional High Income Fund	338,275,675.00	284,399,757.22
Investec Emerging Markets Local Currency Debt Fund	334,813,354.97	327,153,762.27
BlueBay High Yield Institutional Credit Select Fund	210,726,866.01	224,698,496.88
BlueBay Structured Funds - High Income Loan	158,602,351.07	101,454,248.10
Pimco Distressed Senior Credit Opportunities Fund II	155,547,027.99	143,999,337.42
Fidelity Funds -Institutional European High Yield Fund	100,985,529.38	100,083,823.94
Pimco Bravo	90,344,336.54	81,192,675.31
<b>Total</b>	<b>3,979,682,210.44</b>	<b>3,392,020,575.83</b>

## 6.18 Foreign currency funds <sup>26)</sup>

<b>31 Dec. 2011</b>	<b>Book value i.e. market value EUR</b>	<b>Acquisition cost EUR</b>
BlackRock Specialist Strategies Funds	102,996,819.34	99,530,307.97
IPM Global Currency Fund	67,762,338.61	50,298,999.74
<b>Total</b>	<b>170,759,157.95</b>	<b>149,829,307.71</b>

## 7 Other notes to the financial statements

### 7.1 Derivative contracts

	31 Dec. 2011 EUR	31 Dec. 2010 EUR
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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.

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.

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.

#### Equity derivatives

##### Forward and future contracts

Value of underlying instruments	448,973,719.51	375,973,292.59
Positive market value	21,502,183.83	12,964,609.49
Negative market value	-1,633,700.00	-13,859,643.25
Total net	19,868,483.83	-895,033.75

##### Option contracts

Value of underlying instruments	21,936,704.55	6,964,174.59
Positive market value	1,796,407.19	5,779,536.95
Negative market value	-2,131,476.31	-5,315,775.81
Total net	-335,069.12	463,761.15

#### Interest rate derivatives

##### Forward and future contracts

Value of underlying instruments	-238,200,000.00
Positive market value	0.00
Negative market value	-9,623,280.00
Total net	-9,623,280.00

##### Option contracts

Value of underlying instruments	-500,000,000.00	
Positive market value	0.00	2,650,000.00
Negative market value	-720,000.00	-4,150,000.00
Total net	-720,000.00	-1,500,000.00

##### Interest rate swaps

Value of underlying instruments	0.00	0.00
Positive market value	8,688,888.03	1,633,483.99
Negative market value	-1,456,299.44	-2,121,994.36
Total net	7,232,588.59	-488,510.37

##### Credit risk swaps

Value of underlying instruments	429,204,293.99	457,240,000.00
Positive market value	6,338,578.00	2,535,661.45
Negative market value	-13,212,615.47	-6,758,433.73
Total net	-6,874,037.47	-4,222,772.27

#### Currency derivatives

Forward and future contracts		
Value of underlying instruments	4,630,119,724.29	4,798,958,732.61
Positive market value	2,396,231.36	34,707,175.14
Negative market value	-135,446,527.65	-38,358,601.79
Total net	-133,050,296.28	-3,651,426.65
Option contracts		
Purchased		
Value of underlying instruments	-36,834,144.89	157,592,963.64
Positive market value	8,441,879.75	3,505,745.80
Negative market value	0.00	
Total net	8,441,879.75	3,505,745.80
Written		
Value of underlying instruments	323,211,624.65	135,016,529.06
Positive market value	0.00	
Negative market value	-8,400,337.97	-3,329,621.20
Total net	-8,400,337.97	-3,329,621.20
Other currency derivatives		
Value of underlying instruments	99,209,865.93	49,989,581.10
Positive market value	0.00	
Negative market value	-790,134.07	-10,418.90
Total net	-790,134.07	-10,418.90
<b>Commodity derivatives</b>		
Value of underlying instruments	235,256,792.78	230,437,092.48
Positive market value	7,263,903.07	9,661,759.45
Negative market value	0.00	
Total net	7,263,903.07	9,661,759.45

## 7.2 Liabilities

	31 Dec. 2011 EUR	31 Dec. 2010 EUR
<b>Securities lending</b>		
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 57 days in 2011.		
Equities		
Market value	607,776,670.84	844,589,414.38
Bonds		
Market value	3,060,516,362.43	2,356,407,344.77
<b>Investment commitments</b>		
Binding contracts that have not yet been withdrawn but on which a commitment has been made through valid contracts.		
Private equity funds	1,087,549,316.00	937,631,601.00
Silent partner's private equity investment	83,615,742.00	87,259,805.00
Loans not taken up and offers given	75,691,771.96	83,050,770.36
Real estate investment funds	140,830,074.00	193,294,116.00
Real estate investments in subsidiary and associated companies	159,830,676.00	124,868,316.00
<b>Rental liabilities</b>		
Under 1 year	1,163,260.60	1,157,922.72
1–5 years	3,091,811.42	4,108,345.44
<b>Other liabilities</b>	62,800.00	62,600.00
<b>Collateral given on own behalf</b>		
Collateral for derivatives transactions		
Financial contribution	143,962,000.00	137,087,580.00
Cash collateral	9,327,118.63	14,713,459.87

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

	31 Dec. 2011 EUR	31 Dec. 2010 EUR
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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 2009, which has been updated with data for 2010 and 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.

The calculation is based on information obtained from the registers of Keva and the Finnish Centre for Pensions. The calculation for the reporting year is based on information from the previous year as well as the payroll estimate for the reporting year.

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.

<b>Present value of benefits</b>	<b>96,000,000,000.00</b>	<b>90,000,000,000.00</b>
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The figure for 2010 has been adjusted upward by one billion euros over the figure published in the 2010 financial statements.



## 7.4 Key indicators for Keva

	2011	2010	2009	2008	2007
Number of new local government pension applications	32,480	33,804	33,036	29,631	27,425
Number of local government pension recipients on 31 Dec.	349,000	339,900	331,010	321,876	313,099
Local government pensions paid (EUR million)	3,541	3,321	3,141	2,853	2,665
Number of new state pension applications	10,933				
Number of state pension recipients on 31 Dec.	275,000				
State pensions paid (EUR million)	3,656				
Local government payroll (EUR million)	15,376	14,733	14,110	13,469	12,559
Local government contribution income (EUR million)	4,406	4,187	3,982	3,788	3,572
Number of insured local government employees on 31 Dec.	509,000	507,000	497,000	497,000	490,000
Operating costs (EUR million)	82.4	73.0	63.0	57.2	56.6
Personnel (permanent) on 31 Dec.	524	394	396	391	385
Investments at market value (EUR million)	29,044	28,643	24,703	19,806	24,191
Return on investments at market value	-1.7%	12.3%	18.9%	-20.6%	6.0%
Annual real return on investments since inception (from 1988)	3.2%	3.9%	3.3%	2.0%	5.0%

## 7.5 Return on investment (market value)

	2011	2010	2009	2008	2007
Loan receivables	2.3%	2.4%	2.9%	5.0%	4.6%
Bonds	3.7%	7.0%	15.1%	2.4%	2.3%
Short-term investments	1.5%	0.8%	1.0%	3.9%	3.9%
Equities and equity funds	-9.7%	20.0%	35.5%	-41.9%	6.3%
Private equity and hedge funds and commodity investments	7.7%	15.7%	4.7%	-15.0%	30.1%
Real estate	5.9%	7.2%	-2.9%	0.7%	10.1%
<b>Return on investment excluding operating expenses from investment activities</b>	<b>-1.6%</b>	<b>12.4%</b>	<b>19.0%</b>	<b>-20.5%</b>	<b>6.1%</b>
Operating expenses from investment activities, %	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
<b>Return on investment</b>	<b>-1.7%</b>	<b>12.3%</b>	<b>18.9%</b>	<b>-20.6%</b>	<b>6.0%</b>

## 7.6 Investment allocation (market value)

	2011		2010		2009		2008		2007	
	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%
Loan receivables	832.7	2.9%	863.5	3.0%	929.8	3.8%	849.2	4.3%	541.0	2.2%
Bonds	11,516.0	39.7%	10,853.4	37.9%	10,246.5	41.5%	8,096.2	40.9%	7,900.0	32.7%
Short-term investments	971.5	3.3%	479.3	1.7%	594.0	2.4%	690.0	3.5%	1,057.1	4.4%
Equities and equity funds	11,229.1	38.7%	12,572.1	43.9%	9,791.3	39.6%	7,182.7	36.3%	11,700.7	48.4%
Private equity and hedge funds and commodity investments	2,044.9	7.0%	1,646.2	5.7%	1,100.3	4.4%	886.2	4.5%	1,006.5	4.2%
Real estate	2,449.9	8.4%	2,228.2	7.8%	2,041.2	8.3%	2,101.9	10.6%	1,985.8	8.2%
<b>Total investments</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>	<b>19,806.2</b>	<b>100.0%</b>	<b>24,191.0</b>	<b>100.0%</b>
Accumulated interest	145.2		141.6		195.1		160.6		159.9	
Other items	379.1		-5.8		-130.8		1.1		-25.9	
<b>Investments used in calculation of return</b>	<b>29,568.4</b>		<b>28,778.5</b>		<b>24,767.6</b>		<b>19,967.9</b>		<b>24,325.0</b>	

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

	Market value		Distribution by risk		Return	Vola- tility	Risk Mod. duration
	EUR million	%	EUR million	%			
<b>Fixed-income investments</b>	<b>13,974.1</b>	<b>47.3%</b>	<b>13,294.7</b>	<b>45.0%</b>	<b>3.5%</b>		
Loan receivables	836.5	2.8%	836.5	2.8%	2.3%		
Public sector bonds	5,038.7	17.0%	4,477.4	15.1%	6.8%	3.5%	5.0
Other bonds	6,529.5	22.1%	7,065.5	23.9%	1.5%		
Other money market instruments and deposits	1,569.4	5.3%	915.3	3.1%	1.5%		
<b>Equity investments</b>	<b>12,578.4</b>	<b>42.5%</b>	<b>13,029.8</b>	<b>44.1%</b>	<b>-7.7%</b>		
Listed equities	11,111.5	37.6%	11,562.8	39.1%	-10.0%	13.7%	
Private equity investments	1,408.5	4.8%	1,408.5	4.8%	13.9%		
Unlisted equities	58.4	0.2%	58.4	0.2%	60.5%		
<b>Real estate investments</b>	<b>2,404.9</b>	<b>8.1%</b>	<b>2,404.9</b>	<b>8.1%</b>	<b>5.9%</b>		
Direct real estate investments	1,805.5	6.1%	1,805.5	6.1%	6.1%		
Real estate investment funds	599.4	2.0%	599.4	2.0%	5.3%		
<b>Other investments</b>	<b>611.0</b>	<b>2.1%</b>	<b>839.0</b>	<b>2.8%</b>	<b>-2.1%</b>		
Hedge funds	603.8	2.0%	603.8	2.0%	-0.5%	2.9%	
Investments in commodities	7.3	0.0%	235.3	0.8%	-6.1%		
Other investments	-	-	-	-	-		
<b>Total investments <sup>**)</sup></b>	<b>29,568.4</b>	<b>100%</b>	<b>29,568.4</b>	<b>100%</b>	<b>-1.7%</b>	<b>6.1%</b>	

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

<sup>\*\*)</sup> 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, 8 March 2012

Sampsa Kataja

Tapani Hellstén

Varpu-Leena Malmgren

Risto Kangas

Paula Kokkonen

Sallamaari Muhonen

Harri Virta

Keijo Tarnanen

Merja Ailus

## 9 Auditor's report

### **To Keva's Council**

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Keva for the financial period 1 January to 31 December 2011. 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 Keva 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 Keva'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 Keva's internal control. The audit also includes evaluating the appropriateness of the accounting principles applied, the reasonableness of the accounting assessments made by the management and the general presentation of the financial statements and the report of the Board of Directors.

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

### **Opinion**

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

Helsinki, 8 March 2012

Ernst & Young Oy  
Authorised Public Accounting Company

Ari Lehto  
Authorised Public Accountant, Chartered Public Finance Auditor



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