



Y-FOUNDATION

Half-year report
January-June

H1/2020



CEO's review



Kulunut alkuvuosi
oThe first half
of the year was
exceptional and
in many ways
challenging. As the
coronavirus crisis
shook Finland and
the entire world,
the Y-Foundation's
operations
continued
uninterrupted and
to their full extent,
thanks to special
arrangements.
This would
not have been
possible without

the Foundation employees' flexibility, adaptation and ability to learn new ways of working.

For a long time already, the Y-Foundation has been an advocate of the Housing First principle. However, the coronavirus epidemic highlighted homelessness in a new way. The pandemic rapidly brought along a crisis in the services for the homeless around the world and further emphasised the significance of having a home. The governments' advice "Stay home" has not been easy to follow for everyone.

Work to eradicate homelessness and increase affordable rental housing must go on. During the first half of 2020, we at the Y-Foundation continued our work to perform our basic task: we want to offer affordable rental apartments to those who need them. This year, we will introduce no rent increases in M2-Kodit rental apartments. We are constantly having new apartments built. Earlier this year, a new property was

completed in Järvenpää, combining various forms of rental housing and contributing to a stronger sense of community. The first solid wood apartment building in Finland, built for M2-Kodit, was completed in late spring in Jyväskylä.

Despite the prevailing exceptional situation, we hired a record-breaking number of summer workers this year. More than 30 summer workers have been working in rental operations, property management, customer service, housing counselling, accounts payable and landscaping service this summer in different parts of Finland. Last year, we were chosen as one of Finland's best summer employers in the Responsible Summer Job competition, on the basis of young people's assessments. Our goal is set equally high this year! In the spring, a new Board of Trustees was elected for the Y-Foundation. The Board of Trustees is elected for a two-year term and consists of the Foundation's founding members.

During the spring, we have defined a new strategy for the Y-Foundation for the next ten years. The new strategy will be published in the autumn. Our strategy is connected to the UN Sustainable Development Goals (SDGs), which guide the world's development efforts until 2030. This is why the strategy period is exceptionally long. Through the UN SDGs, our objectives are part of a greater whole.

The Y-Foundation's mission will continue to be the provision of safe and permanent housing for those who would not have the opportunity otherwise.

Juha Kaakinen
CEO

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Comparison figures in parentheses refer to the corresponding period in the previous year unless stated otherwise. The figures in this half-year report are unaudited.



6 870
apartments for
specific target groups

SPECIAL HOUSING

**AFFORDABLE
RENTAL HOUSING**

10 524
state-subsidised
ARA rental apartments

THE 4TH LARGEST
LESSOR
IN FINLAND

TENANT ORIENTATION

We work
so that everyone
can have a home.

GENUINE CHARITY

EXPERT IN
HOMELESSNESS
WORK

Housing support
Services
Tenant involvement
Support networks

**ECONOMIC AND
SOCIAL WELL-BEING**

SOLUTION ORIENTATION

INFLUENCE

Research
Development
Education
Communications



Y-Foundation

The Y-Foundation is the fourth largest national lessor in Finland. The Foundation and its subsidiaries make up the Y-Foundation Group. The Group's largest unit engaging in rental operations is Kiinteistö Oy M2-Kodit.

The Group owns 17,394 (17,310) rental apartments in 55 (55) cities and municipalities. Of these, 10,524 (10,581) are state-subsidised ARA rental apartments under M2-Kodit and 6,870 (6,729) are Y-Foundation rental apartments. The Y-Foundation's operations are non-profit and politically independent.

The Foundation's purpose

Our purpose is to reduce homelessness and increase the number of affordable rental apartments. We grow our housing portfolio by developing and acquiring properties and individual apartments.

Under the by-laws of the Foundation, we can also contribute to improving the economic and social well-being of the Foundation's tenants in other ways. In addition, we research and develop services and functions related to construction, housing and well-being. We want to influence society's decision-making on housing-related issues.

The Foundation's governance

The Y-Foundation's operations are managed by the Board of Trustees, which has seven members, and the CEO. In addition, the founding members convene yearly at the Annual Meeting. Once every two years, the Annual Meeting of the founding members elects the Foundation's Board of Trustees for a two-year term. Information on the founding members, the members of the Board of Trustees and the company's management is provided in the notes to the financial statements.

KPMG Oy Ab continued as the auditor in 2020, with Authorised Public Accountant Mauri Eskelinen and Authorised Public Accountant Heidi Vierros as the principal auditor.

The related parties of the Y-Foundation include the Foundation's founding members, Board of Trustees, management and auditors, as well as their family members. No grants or other partly or fully gratuitous benefits have been granted to closely-related parties as referred to in the Foundationsr. Act. The fees paid to the members and deputy members of the Board of Trustees and the salaries of the management do not deviate from the ordinary.

The Foundation has not engaged with the related parties in any other financial transactions deviating from the ordinary. The Foundation's properties or apartments are rented to the founding cities of the Foundation, which are related parties, and their residents under similar terms and conditions as to other parties.

Transactions between the Foundations' Group companies are measured at fair value and disclosed in the notes to the financial statements. Essential related party transactions are reported in the table on related parties in the notes to the financial statements.

The Y-Foundation Group's rental apartments

At the end of the review period, the Y-Foundation Group had 17,394 (17,310) apartments. This total figure includes both M2-Kodit and Y-Foundation rental apartments. Of the rental apartments, 53 per cent are in the Helsinki metropolitan area.

M2-Kodit has 10,524 (10,581) rental apartments in 30 (30) cities and municipalities. The apartments are affordable rental apartments that are rented in accordance with the tenant selection criteria of the Housing Finance and Development Centre of Finland ARA.

The Y-Foundation has 6,870 (6,729) rental apartments in 52 (52) cities and municipalities. The tenant selection criteria for individual apartments have been defined by the Funding Centre for Social Welfare and Health Organisations (STEA). The majority of the apartments have been rented to our partners, particularly the City of Helsinki. The apartments have been acquired through grants from the Funding Centre for Social Welfare and Health Organisations STEA (formerly Finland's Slot Machine Association) and the Housing Finance and Development Centre of Finland ARA.

A total of 48 (266) new M2-Kodit apartments were completed during the first half of the year. The property is located in Palokka, Jyväskylä, and is Finland's first solid wood apartment building.

In Vantaa, a demolition and construction project has been under way in the Martinlaakso neighbourhood during the first half of the year. Old apartment buildings will be replaced with new apartments that better meet the demand for housing.

A new property with 91 rental apartments was completed at Wärtsilänkatu 10 in Pajala, Järvenpää, for Kiinteistö Oy Y-Säätiön Palvelutalot. The property has 71 affordable rental apartments and 20 support apartments.

In addition, 43 Y-Kodit apartments were acquired for people who are currently homeless or at risk of becoming homeless. A total of 10 Y-Kodit apartments were sold in locations where they were no longer needed.

At the end of June, there were 233 (139) apartments under construction. The new Tampereen Jallukka property is a joint project with the Live Music Foundation ELMU, consisting of 17 apartments for ELMU and 22 apartments for M2-Kodit. The following projects were started: 84 apartments in a short-term interest subsidy project at Kauppakatu in Nokia, 62 apartments at Postiljooninkatu in Helsinki and 48 apartments in a solid wood apartment building at Vanhankallionkatu in Kuopio. All of these are affordable rental apartments built for M2-Kodit.

Property maintenance

In early 2020, Leanheat's AI-based heating control system was deployed in the majority of the Y-Foundation Group's properties. The system controls heating on the basis of weather forecasts and real-time apartment temperature data it receives from apartment sensors. It learns each building's special characteristics and, in addition to saving energy, helps adjust indoor temperatures in apartments so that they are stable and comfortable.

At the same time, the Foundation started using Leanheat's control room and consumption monitoring system. They enable us to react more quickly to the maintenance needs in the properties' systems and any deviations in energy consumption. The deployment of the Leanheat system is part of the Y-Foundation's goal of improving properties' energy efficiency and reducing CO2 emissions.

In January, the Foundation also deployed the Pandia Investment programme for long-term planning, steering and monitoring of property renovation

projects. The programme makes it possible to manage renovation projects better, create property life cycle models and also automate contract reporting to the tax administration. The Foundation uses the programme in both new construction and renovation.

Despite the prevailing coronavirus situation, our goal was to continue unfinished renovation projects, such as Koti kuntoon renovations. New non-urgent projects were not launched. The restrictions resulting from the coronavirus pandemic also affected maintenance operations: only urgent maintenance and repairs were performed in apartments. When visiting apartments, particular care and caution were adhered to and guidelines on hygiene and physical distancing were complied with as closely as possible.

Rental operations

The Y-Foundation operates on a cost basis so rent adjustments were moderate this year, too. We introduced no rent increases in M2-Kodit rental apartments and in Y-Foundation rental apartments rents were adjusted by 2.6 (1.5) per cent.

The prevailing coronavirus situation had no major impact on the number of applications received. In the Helsinki metropolitan area, the number of applications decreased slightly but at the end of the review period, the number of applications was again at the normal level. In apartment marketing, we increased virtual apartment tours during the pandemic.

The financial occupancy rate at the end of the review period was 96.9 (97.1) per cent. Turnover continued to decrease and was 15.23 (15.67) per cent in January–June.

We continued to actively develop customer relationships in rental housing companies and carried out advocacy activities, together with the Association for Advocating Affordable Rental Housing – KOVA and the Housing Finance and Development Centre of Finland ARA. We will again conduct a joint tenant satisfaction survey for rental housing companies. The results will be published in the International Housing Festival event in 2021.

Economic and social well-being of tenants

In accordance with its by-laws, the Y-Foundation supports the economic and social well-being of its tenants.

Our aim is that our tenants find it easy to contact us as early as possible when they encounter housing-related problems. In early 2020, we improved communications about the housing and financial counselling we offer. In addition, we organised a financial counselling chat service as a joint experiment with the Guarantee Foundation.

During the spring, housing counselling, together with the property management team, developed operating models to increase tenant comfort. Housing counselling participated in tenant meetings and the Koti kuntoon renovation information sessions, when necessary.

The exceptional circumstances caused by the coronavirus epidemic required us to develop new operating methods for the VelatOn financial counselling project, rent supervision, customer service and rental operations. For instance, we developed a tool that enables us to more easily identify the applicants and tenants who need housing and financial counselling.

Uuras employment programme

The Y-Foundation Group has supported economic and social well-being through the Uuras employment programme since 2016. Uuras offers jobs and employment opportunities to the tenants of the Y-Foundation Group.

During the review period, the Uuras job bank extended the scope of its activities to helping tenants in moving, demolition-related circular economy and finding employment. Together with the Toimekas project, Uuras developed employment-oriented coaching and different methods for directing tenants to various services. Accreditation of learning was also developed and partnerships were launched to find employment for tenants: in Järvenpää with HDL in the implementation of Wärttinä's cleaning and in Tampere with other non-profit lessors.

During the spring, the Uuras job bank expanded to encompass 125 Y-Foundation tenant workers, who have had more than 1,700 work assignments during the Uuras programme. Recruitment through the Treamer application has provided our tenants with additional assignments and also permanent employment with other employers.

Indicators for H1/2020	M2-Kodit	Y-Foundation	Group
Apartments in different cities and municipalities	30	52	55
Number of apartments	10,524	6,870	17,394
Average rent EUR/sqm/month	13.65	12.71	13.38
Financial occupancy rate, %	96.1	99.0	96.9
Turnover, %	22.12	4.83	15.23
Rental income, EUR million	47.1	19.6	67.2
Renovation expenses, EUR million	7.1	1.3	9.0
Heating, water and electricity, EUR million	6.5		7.3

Tenant activities

The national M2 Day, organised every two years, was held in the Heureka Science Centre in Vantaa in February. The event was attended by nearly 100 active tenants from different parts of the country. Tenant council members were in charge of the practical arrangements of the event.

Due to the coronavirus restrictions introduced in mid-March, all tenant events were cancelled until further notice. Their re-launch will be re-assessed after the summer according to the coronavirus situation. Tenant council meetings were organised as remote meetings for the first time in their history.

Influence and development

International operations were active during the first months of the year, before the pandemic broke out. The Y-Foundation had more than 100 international visitors. Housing First Europe Hub's strategy was prepared during the spring and instructor training continued. Hub's seminars were organised as webinars. The Housing First cooperation project in Warsaw was launched by the contractual partnership formed by Cooperation Fund, HF Poland, the City of Warsaw and the Y-Foundation.

The Foundation's own research projects on the connection between well-being and housing and on women's housing paths are under way. There is also research cooperation with universities at the national and international levels.

The sub-projects of the Naisriityisyys asunnottomuustyössä (NEA) project, focusing on women specificity in homelessness work, launched pilots in cooperation networks to test women-specific operating models. To disseminate information on this topic, webinars were held and a training package was created. In the exceptional circumstances caused by the coronavirus crisis, experts by experience helped homeless women especially in Helsinki. From the international perspective, the NEA project is part of the ErasmusPlus Women and Homelessness project.

The Sea-Tribe project developed adventure pedagogical activities for wintertime. A follow-up survey indicated that the Sea-Tribe activities strengthen young people's role as active participants and support their independence. The spring's

coronavirus epidemic changed the plans as the cooperation partner STAF had to cancel the summer's sailing trips. A new plan was created for the summer, focusing on hiking and other outdoors trips. The project is also creating an adventure pedagogical toolkit for remote activities.

The Housing First Development Network received a targeted grant from STEA, starting from 2020. Podcasts focusing on themes related to homelessness were launched during the spring. Due to the coronavirus situation, training sessions were moved to the autumn. The national Housing First seminar is also planned for the autumn.

The housing counselling report compiled by the Verkostokehittäjät (Development Network) partnership and NAL, "Neuvokkaasti palveluiden piiriin – asumisneuvonta asumisen mahdollistajana", was published earlier this year. In addition, to support the new programme aiming at the halving of homelessness, change lab activities produced the "Asunto ensin 2.0 – tehdään jokaiselle mahdollisuus" report through wide-ranging national cooperation.

A new STEA project, the One of Us partnership project for 2020–2022, was launched during the first half of the year. The aim of the project is to find ways to reduce the loneliness experienced by our tenants in Lahti and East Helsinki. The project seeks to direct our tenants who feel themselves lonely to activities offered by our project partners. In the spring, the project activities included the establishment of regional development networks and the launching of cooperation.

The Foundation has representatives in the management group of the Cooperation Programme to Halve Homelessness (2020–2022), launched at the beginning of the year and coordinated by the Ministry of the Environment, as well as in a preparatory working group for making housing counselling a statutory obligation.

Digitalisation

A monthly satisfaction survey was launched among M2-Kodit's tenants. The introduction of a tenant feedback system has made it possible to collect real-time tenant feedback.

The OmaM2 was launched in the spring of 2020. It is a personal eService for M2-Kodit tenants, enabling them to take care of key matters flexibly at the time that is the

Personnel indicators EUR 1,000	H1/2020 Group	H1/2019 Group	2019 Group	H1/2020 Parent	H1/2019 Parent	2019 Parent
Performance-based pay with fringe benefits	4,055	4,088	7,494	1,207	1,206	2,164
Monetary value of fringe benefit	-85	-81	-164	-45	-40	-85
Pension expenses	712	777	1,376	247	262	423
Statutory social security expenses	128	75	142	24	23	42
Total	4,809	4,860	8,847	1,433	1,450	2,545
Personnel on average	167	161	162	39	36	37
Average age	45.2	45.4	45.7	47.0	46.7	47.0

most convenient for them. Wishes regarding this kind of service have been expressed in tenant satisfaction surveys and the aim is to develop the service according to tenants' wishes in the future, too.

The monitoring of renovation and new construction projects was improved by the deployment of the Pandia Investment system.

Personnel

The Y-Foundation Group's number of personnel continued to grow and amounted to 193 (184) employees at the end of the review period. Of this total, 47 (46) were fixed-term employees. Fixed-term employment relationships were related to project activities and substitute positions. Five (6) employees worked part-time. The increase in the number of personnel was due to seasonal labour needs, insourcing previously outsourced services, new positions required for the implementation of strategy and the Foundation's employment promotion activities. M2-Kodit accounted for the majority of the increase in personnel. M2-Kodit has 145 (143) employees, including seasonal workers. A total of 38 (34) employees work at the regional offices. The majority of the personnel work at the Pitkäsillanranta office in Hakaniemi, Helsinki. Women accounted for 69 (72) per cent of employees, men for 31 (28) per cent.

The Group belongs to Real Estate Employers, which is part of the Confederation of Finnish Industries EK. The Group applies the collective labour agreements pertaining to salaried and non-salaried employees in the real estate sector.

Financial position

Acquisition of apartments in line with the Foundation's basic task is funded with STEA grants, loans from financial institutions, the state's interest subsidy loans, investment grants and partly with the Y-Foundation's internal financing. The Foundation's equity ratio target is 30 per cent, or 40 per cent at fair value, which enables investments over a period of a few years.

The Y-Foundation Group's finances grew according to plan in the period 1 January–30 June 2020. Revenue amounted to EUR 67.2 (66.2) million. The consolidated balance sheet total exceeded EUR 1.3 (1.2) billion.

The Foundation uses the Housing Finance and Development Centre of Finland (ARA) interest subsidy loans and grants for funding new construction and renovation investments. At the Group level, investments amounted to EUR 45.4 (50.3) million. Expenditure on repairs amounted to EUR 9.0 (10.2) million during the review period.

The Foundation continued to receive grants from the Funding Centre for Social Welfare and Health Organisations (STEA) for operations, development projects and the acquisition of individual support apartments. The grants for the acquisition of support apartments account for 50 per cent of the cost. The Foundation received approximately EUR 0.8 (1.4) million in STEA grants to fund its investments.

During the financial year, the Foundation invested approximately 5.1 (7.2) million in acquiring apartments. In addition to STEA and ARA financing, the Group uses its own capital to finance investments. Due to maintenance and repair expenses, construction and

repayment of loans, the Group increased the amount of loans from financial institutions. Loans amounting to EUR 11.9 (14.3) million were withdrawn for the apartment acquisition purposes and construction investments. Repayments of loans amounted to EUR 15.3 (18.1) million. The average maturity of the loans was 21.44 (21.37) years and the average interest rate was 1.5 (1.5) per cent.

The finances of the Foundation Group developed steadily and according to plan. Interest rates remained low, which was reflected in, among other things, a decrease in the interest rates of state-subsidised loans compared to the previous year. The Foundation has hedged most of its bank loans through interest rate swaps. The hedging ratio of the loans will be kept at around 75 per cent of the Group's entire loan portfolio in accordance with the strategy.

Rental income increased considerably compared to 2019 and exceeded EUR 67.2 (66.2) million. The Group-level financial occupancy rate was 96.9 (97.1) per cent. Net administrative expenses amounted to 6.5 (6.1) per cent of rental income. The surplus from the Group's own operations was EUR 8.6 (8.1) million. The Group's financial position is moderate and the equity ratio on the consolidated balance sheet was 30.6 (29.4) per cent, which enables continued investments in the future. At fair values, the equity ratio is 42.4 (41.0) per cent.

The Foundation complies with the provisions of the Act on State-Subsidised Housing Loans in setting the rents of apartments financed with state-subsidised and interest subsidy loans. The rents of apartments not financed through state-subsidised loans are primarily tied to the cost index of property maintenance. The aim is still to keep the rents of apartments moderate compared to the general level of rents in the area.

The coronavirus situation has not affected the Y-Foundation's finances.

Values and responsibility

In the Y-Foundation Group, we act pursuant to our charitable purpose and in a socially responsible manner. We prevent and reduce homelessness by offering rental apartments to people in various life situations. Our social responsibility is based on the principles of the ISO26000 standard.

Our values are tenant orientation, a genuine non-profit operating model and being solutions-oriented. The goal of good housing guides our day-to-day work. We treat everyone within the sphere of our operations fairly and equally, including our employees, tenants, customers and partners. This is based on equally respecting universal human dignity.

We ensure that our operating practices and structures support economic and productive work and sustainability. We use the Foundation's funds responsibly and exclusively for the purpose stipulated by our mission.

We extensively monitor the lawfulness, ethics, responsibility and compliance of our operations. We address any shortcomings without delay. We require our employees and partners to act responsibly.

Risk management is an essential part of our

sustainability. We take part in developing residential areas and close communities. We share our expertise and experience with social decision-makers and organisations aiming to reduce and eradicate homelessness.

Risk management

In spring 2020, preparations for the coronavirus pandemic were made according to the guidelines issued by the authorities. To manage risks, the personnel have been instructed on the use of safe working practices and remote work opportunities have been expanded significantly. The Management Team regularly monitors the validity of the instructions and further specifies them as the coronavirus situation evolves.

Thus far, the coronavirus crisis has not increased rent arrears significantly. Rent arrears will be prevented, as necessary, with payment plans and housing counselling.

In the summer 2018, the Foundation conducted an extensive risk assessment of its operations and operating environment, related to the bond issue and aimed at supporting investors' decision-making. The results were typical of the industry and they are still valid. The most material risks included an increase in interest rates, construction project delays resulting from complaints, under-occupancy of premises in recessionary areas and the availability of plots designated for social housing production in growth centres.

Preparations for interest rate risk are based on interest rate hedging. Potential construction project delays are taken into account in contractor agreements. In recessionary areas, the aim has been to maintain high occupancy rates with moderate property-specific rents. In growth centres, active plot acquisition continues by participating in city planning development projects.

The Foundation has prepared for accident risks through full value insurance of properties and diverse operational insurance policies. In the spring 2019, the occupational risk analysis was updated, and its results are utilised in statutory occupational safety activities.

In insurance-related issues, we use an insurance broker specialising in insuring and handling damage-related matters (Howden).

Future outlook

The Y-Foundation's outlook for the short and long term is positive. Developments related to the eradication of homelessness have remained favourable. There is still strong social demand for the work performed by the Y-Foundation. We want to continue to play an important role in promoting the Housing First principle in Finland and internationally. Our development efforts in Finland will revolve around our strong involvement in the halving and eradication of homelessness, which is a stated objective of the government programme. To achieve this objective, the Foundation actively seeks more efficient cooperation with the founding cities.

The Y-Foundation began preparing its new strategy in 2019. The planned strategy period is exceptionally long, extending all the way to 2030. The new strategy will be published in the autumn 2020.

The new strategy uses the UN Sustainable Development Goals as its frame of reference. The most relevant of the UN SDGs for the Group is the reduction of inequality. The aim is to put the general principles of the new strategy into action in the form of spearhead projects with a duration of a few years each. They will be focused on the Foundation's purpose, which is to promote the economic and social well-being of tenants and to exercise influence in society with regard to housing-related issues. The Foundation will also make an even stronger commitment to climate action.

The Y-Foundation's property portfolio will grow at a moderate rate over the next few years. However, the Foundation has the capacity to accelerate the growth of its housing portfolio if necessary; for example, by acquiring larger sets of apartments. The Foundation's strong finances and diverse funding provide good preconditions for implementing the strategic objectives.

It is estimated that the economic effects of the coronavirus pandemic will be seen more clearly during the remainder of the year. For its part, the Y-Foundation is ready to accelerate its own investments, which can serve in preventing and mitigating the economic and societal effects of the coronavirus pandemic. An example of the concrete measures taken is the preparation of a new construction and renovation investment plan that is based on the new strategy. Decisions on this will be made during this autumn.

Key figures

	H1/2020	H1/2019	2019
Revenue	EUR 67.2 million	EUR 66.2 million	EUR 133.2 million
Rent margin	28.2 %	27.7 %	25.3 %
Administrative expenses, net	6.5 %	6.1 %	5.8 %
Cash and cash equivalents	EUR 58.8 million	EUR 86.5 million	EUR 70.2 million
Equity ratio			
at book values	30.6 %	29.4 %	30.2 %
at fair values	42.4 %	41.0 %	41.8 %

Note 1: Y-Foundation's governance

Pursuant to the by-laws of the Y-Foundation, the founding members that attend its annual meeting are:

1. City of Espoo
2. City of Helsinki
3. Church Council
4. Finnish Construction Trade Union
5. Confederation of Finnish Construction Industries RT
6. Association of Finnish Local and Regional Authorities
7. MIELI Mental Health Finland
8. Finnish Red Cross
9. City of Tampere
10. City of Turku
11. City of Vantaa

The term of office of the Foundation's Board of Trustees is two years. The composition of the Board of Trustees from 26 April 2018 until the 2020 Annual Meeting has been as follows:

1. Harjuniemi Matti, Finnish Construction Trade Union, chairman
2. Kämäräinen Leena, Finnish Red Cross, vice chair
3. Lallinaho Jari, MIELI Mental Health Finland
4. Mäki Tiina, City of Helsinki
5. Närhi Maritta, City of Tampere
6. Randell Alekski, The Confederation of Finnish Construction Industries RT
7. Salminen Jukka T, City of Vantaa

The Foundation's Board of Trustees as of 29 April 2020:

1. Harjuniemi Matti, Finnish Construction Trade Union, chairman
2. Ahlström Mari, City of Espoo
3. Forss Teppo, City of Turku
4. Mäki Tiina, City of Helsinki
5. Randell Alekski, The Confederation of Finnish Construction Industries RT
6. Tähtinen Tapio, MIELI Mental Health Finland
7. Viljanen Maria, Finnish Red Cross, vice chair

The Foundation's Management Team consists of eight members

1. Kaakinen Juha, CEO
2. Kampman Pekka, Development Director
3. Komu Kari, CFO
4. Mutalahti Timo, Corporate Lawyer
5. Niskanen Juha, Property Director
6. Penttilä Laura, Marketing and Communications Manager
7. Tammissalo Eeva, Director of Rental Activities
8. Timonen Sari, Development Manager

Note 2: Related party transactions at the Y-Foundation

In addition to the Foundations Act, the by-laws of the Y-Foundation and the guidelines issued by the authorities, the Y-Foundation complies with the Good Governance of Foundations guideline published by the Council of Finnish Foundations in 2015. Based on it, the Foundation's Board of Trustees ratified the related party guidelines on 14 April 2016. The related parties of the Y-Foundation, as referred to in chapter 1, section 8 of the Foundations Act, include the Foundation's founding members, Board of Trustees, management and auditors, as well as their family members. At the Y-Foundation, management refers to the CEO and the Management Team.

Related party transactions refer to legal transactions with related parties with or without consideration, regardless of their subjects or designations. These can include purchasing services from related parties, selling services to related parties, benefits and salaries received by related parties, providing a grant or various contracts.

At the Y-Foundation, related parties are not given grants or other partly or fully gratuitous benefits unless they are given as part of the Foundation's activities pursuant to its purpose and the terms and conditions of giving them do not deviate from the terms and conditions applied to outsiders. The Foundation also does not engage in any related party transactions deviating from the ordinary. The Foundation's properties or apartments are rented to the founding cities of the Foundation, which are related parties, and their residents under similar terms and conditions as to other parties at fair values. The fees paid to the members of the Board of Trustees and auditors and the salaries of the management are reasonable and do not deviate from the ordinary.

Related party table	Nature of related party relationship				
	1	2	3	4	5
Transactions or financial benefits (EUR)					
A. The management's salaries, fees and pension commitments	-	298,798	463,015	-	-
B. Contracts	see 1B below	-	-	-	-
C. Assistance granted		-	-	-	-
D. Loans, liabilities and contingent liabilities given	100,739,432	-	-	-	-
Explanations					
<ol style="list-style-type: none"> 1. The founding members of the Y-Foundation and their subsidiaries and subsidiary foundations, Y-Foundation Group companies 2. A member or deputy member of the Board of Trustees or supervisory board, CEO and his deputy, general partner and auditor of the Y-Foundation or an organisation mentioned in item 1 3. The Y-Foundation's Management Team 4. Family member of a person referred to in items 1-3 5. Entity or foundation controlled by persons referred to in items 1-4 					
<p>1B. The Y-Foundation pays ordinary fees relating to the maintenance of properties to its founding members (Espoo, Helsinki, Tampere, Turku, Vantaa), such as property taxes, street fees and building permits. The founding members pay a fair rent for the apartments owned by the Foundation that they rent.</p> <p>1D. The Y-Foundation has granted loans to its subsidiaries for the construction of residential buildings and acquisition of residential properties for use pursuant to the Foundation's purpose.</p> <p>2A. Salaries and fees paid to members of the Y-Foundation's Board of Trustees, the CEO and his deputy and auditors.</p> <p>3A. Salaries of the Y-Foundation's Management Team.</p>					

Related party transactions with the Foundation's group companies are measured at fair value. The measurement of fair value is based on own expertise, auditors' views, investigating the market situation and, if necessary, external expert opinions. If related party transactions are contrary to the Foundations Act, rules, regulations issued by the authorities or the related party guidelines take place, they are cancelled. Related party transactions deviating from the guideline which are in the benefit of the Foundation are decided on by the Board of Trustees or the CEO within their mandate. In addition to the Board of Trustees and the CEO, the Foundation's management and financial administration monitor related party transactions.

HALF-YEAR REPORT H1/2020

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INCOME STATEMENT

1 000 EUR

	1 Jan-30 June 2020	1 Jan-30 June 2019	1 Jan-31 Dec 2019	1 Jan-30 June 2020	1 Jan-30 June 2019	1 Jan-31 Dec 2019
	Group	Group	Group	Parent	Parent	Parent
Actual operations						
Lease operations						
Rent and maintenance charge income	66,937	65,902	132,627	19,583	18,782	37,717
Charges for consumption income	248	263	547	25	29	51
Other income		30	30			
Total income from lease operations	67,185	66,195	133,203	19,608	18,812	37,768
Income from property management services	33	33	66			
Property maintenance expenses						
Personnel expenses	-3,385	-3,423	-6,331			
Depreciation and amortisation	-9,121	-8,339	-22,212			
Rent and maintenance charge expenses	-10,758	-10,653	-21,404	-11,109	-10,827	-21,660
Other maintenance expenses	-23,955	-25,028	-48,748	-1,353	-1,337	-2,642
Total expenses of lease operations	-47,219	-47,442	-98,695	-12,462	-12,164	-24,302
Construction expenses	-1,029	-454	-821	-54	-76	-186
Lease operations, total	18,969	18,333	33,753	7,092	6,572	13,279
Central administration and other operations						
Income	831	999	1,949	710	830	1,547
Expenses						
Personnel expenses	-1,478	-1,474	-2,590	-1,478	-1,474	-2,590
Depreciation and amortisation	-177	-143	-308	-177	-143	-308
Other expenses	-3,547	-3,391	-6,714	-1,478	-1,561	-2,864
Central administration and other operations total	-4,371	-4,010	-7,663	-2,424	-2,348	-4,215
Share of profit from associated companies	235	258	763			
Operating surplus	14,833	14,581	26,852	4,668	4,224	9,064
Investment and financing activities						
Income						
Interest and dividend income	59	124	194	1,896	1,667	3,617
Other income	216	104	406	137	40	267
Total income	275	228	600	2,033	1,708	3,883
Impairment of investments in non-current assets	-20	69	-6	-20	69	-6
Expenses						
Interest expenses	-6,168	-6,470	-12,724	-2,175	-2,292	-4,538
Other expenses	-365	-332	-1,139	-1,662	-1,127	-3,200
Total expenses	-6,533	-6,802	-13,863	-3,837	-3,419	-7,738
Investment and financing activities	-6,278	-6,505	-13,269	-1,824	-1,642	-3,860
Surplus	8,555	8,075	13,583	2,844	2,582	5,204
General grants						
General grants						
Investment grants STEA	751	1,422	5,590	751	1,422	5,590
Other investment grants	55	55	305	55	55	305
Other STEA grants	665	787	1,363	665	787	1,363
Transfers						
Transfer to cover expenses	-665	-787	-1,363	-665	-787	-1,363
Transfer to apartment acquisition reserve	-751	-1,422	-5,786	-751	-1,422	-5,786
Transfer to general-purpose reserve	-55	-55	-109	-55	-55	-109
General grants total						
Direct taxes						
Income taxes	-4	-5	-10			
Deferred taxes	-1,389	-1,161	-1,830			
Minority interest	40	-28	-18			
Surplus/deficit for the financial year	7,201	6,881	11,725	2,844	2,582	5,204

BALANCE SHEET

1,000 EUR	30.6.2020 Group	30.6.2019 Group	31.12.2019 Group	30.6.2020 Parent	30.6.2019 Parent	31.12.2019 Parent
Assets						
Non-current assets						
Intangible assets						
Intangible rights	2,421	2,855	2,597			
Goodwill	113	188	151			
Other capitalised long-term expenditure	2,991	1,950	2,353	2,363	1,949	2,187
Intangible assets total	5,525	4,993	5,101	2,363	1,949	2,187
Tangible assets						
Land and waters	73,266	68,389	71,708			
Connection fees	9,929	9,594	9,769			
Property leases	147	147	147			
Buildings and structures	712,308	682,447	700,318			
Machinery and equipment	1,335	1,479	1,327	3	13	3
Other tangible assets	2,016	932	766	165	5	5
Advance payments and construction in progress	21,959	33,320	21,765			
Tangible assets total	820,960	796,308	805,800	168	18	8
Investments						
Shares in housing companies	352,261	344,952	347,699	352,261	344,952	347,699
Subsidiaries				14,557	14,481	14,557
Shares in associated companies	5,305	4,565	5,070	3,579	3,579	3,579
Other shares	3,958	1,110	3,175	3	3	3
Investments total	361,524	350,627	355,944	370,400	363,015	365,838
Non-current assets	1,188,010	1,151,928	1,166,845	372,931	364,982	368,032
Current assets						
Receivables						
Long-term receivables						
Loan receivables	5	5	5	5	5	5
Receivables from group companies				90,466	86,675	93,385
Receivables from associated companies	20	20	20			
Other receivables	56	76	56	29	29	29
Long-term receivables total	81	101	81	90,499	86,708	93,419
Short-term receivables						
Rent receivables	1,565	1,754	1,605	145	175	159
Loan receivables		416				
Prepayments and accrued income	1,634	1,792	758	377	536	541
Receivables from group companies				5,280	5,280	5,491
Other receivables	606	797	922	20	25	26
Short-term receivables total	3,804	4,760	3,286	11,697	6,016	6,216
Shares and holdings	6,874	2,013	4,882	7,113	2,253	5,122
Cash in hand and with banks	51,907	84,466	65,358	34,270	55,450	43,109
Current assets	62,666	91,340	73,607	143,579	150,427	147,865
Assets	1,250,676	1,243,269	1,240,452	516,510	515,409	515,897

BALANCE SHEET

1,000 EUR

	30.6.2020	30.6.2019	31.12.2019	30.6.2020	30.6.2019	31.12.2019
	Group	Group	Group	Parent	Parent	Parent
Equity and liabilities						
Capital and reserves						
Initial capital	20	20	20	20	20	20
Apartment acquisition reserve	186,066	181,700	185,520	186,066	181,700	185,520
Other reserves	10,200	10,200	10,200	10,120	10,120	10,120
General-purpose reserve	34,833	34,084	34,600	34,833	34,084	34,600
Redemption reserve	73,118	67,914	67,914	73,112	67,908	67,908
Investment reserve	30,932	30,932	30,932	30,932	30,932	30,932
Surplus/deficit from previous financial years	37,398	30,877	30,877	257	257	257
Surplus/deficit for the financial year	7,201	6,881	11,725	2,844	2,582	5,204
Capital and reserves total	379,767	362,608	371,788	338,183	327,603	334,561
Minority interest	2,140	2,185	2,179			
Liabilities						
Long-term liabilities						
Loans from financial institutions	797,447	815,264	800,425	157,086	174,223	160,809
Advances received	1,632	1,653	1,644	342	357	355
Other liabilities	769	707	769			
Accrued expenses and deferred income	197		206	197		206
Deferred tax liabilities	12,737	10,604	11,348			
Long-term liabilities total	812,782	828,229	814,392	157,625	174,580	161,370
Short-term liabilities						
Loans from financial institutions	38,648	31,592	39,143	17,051	8,953	17,447
Advances received	1,981	1,729	1,879	167	152	200
Accounts payable	7,307	8,455	5,679	345	312	304
Other liabilities to group companies				9	337	123
Other liabilities	230	217	154	91	76	60
Accrued expenses and deferred income	7,822	8,254	5,238	3,039	3,396	1,832
Short-term liabilities total	55,987	50,247	52,093	20,702	13,226	19,966
Liabilities total	868,769	878,476	866,485	178,327	187,806	181,337
Equity and liabilities	1,250,676	1,243,269	1,240,452	516,510	515,409	515,897

CASH FLOW STATEMENT

	1 Jan-30 June 2020	1 Jan-30 June 2019	1 Jan-31 Dec 2019	1 Jan-30 June 2020	1 Jan-30 June 2019	1 Jan-31 Dec 2019
1.000 EUR	Group	Group	Group	Parent	Parent	Parent
Cash flow from operating activities						
Profit/loss for the financial year	7,201	6,881	11,725	2,844	2,582	5,204
Adjustments:						
Depreciation, amortisation and impairment	9,299	8,482	22,520	177	143	308
Capital gains/losses on non-current assets	-2	141	315	-2	141	315
Share of profit from associated companies	-235	-258	-763			
Financial income and expenses	6,280	6,365	12,954	1,827	1,501	3,545
Income taxes	1,394	1,166	1,840			
Minority interest	-40	28	18			
Cash flow before change in working capital	23,897	22,805	48,610	4,845	4,367	9,372
Change in working capital						
Changes in receivables	-515	-540	3,320	215	466	1,385
Changes in liabilities	4,549	2,913	-2,791	-71	380	71
Cash flow before financial items and taxes	27,930	25,177	49,138	4,990	5,213	10,828
Interest paid	-5,258	-5,295	-12,879	-1,063	-1,021	-4,568
Dividends received	3	3	3	3	3	3
Interest received	52	115	195	1,197	1,276	3,626
Other financial items	-151	-88	-418	-1,527	-946	-2,619
Taxes paid	-41	98	86	42	-11	-33
Net cash flow from operating activities	22,535	20,011	36,126	3,641	4,514	7,237
Cash flow from investing activities						
Investments in non-current assets	-26,732	-20,903	-46,407	-514	-382	-775
Shares in housing and real estate companies	-5,102	-7,208	-10,926	-5,102	-7,208	-10,926
Sale of shares in housing companies	522	320	1,042	522	320	1,042
Shares in subsidiaries bought		-3,114	-4,102			-76
Other investments	-15					
STEA's investment grants	751	1,422	5,590	751	1,422	5,590
Other investment grants	55	55	305	55	55	305
Loans to own real estate companies				-11,410	-9,708	-27,309
Instalments of own companies				9,329	3,332	12,703
Net cash flow from investing activities	-30,522	-29,428	-54,497	-6,369	-12,168	-19,444
Cash flow from financial activities						
Shares and holdings	-1,992	-46	-2,916	-1,992	-46	-2,916
Minority venture capital		4	7			
Increase in long-term loans	11,864	14,261	29,525			
Repayment of long-term loans	-15,336	-18,088	-40,641	-4,120	-9,111	-14,031
Net cash flow from financial activities	-5,464	-3,870	-14,024	-6,111	-9,158	-16,946
Change in cash and cash equivalents	-13,451	-13,288	-32,396	-8,839	-16,812	-29,153
Cash and cash equivalents at the beginning of the period	65,358	97,754	97,754	43,109	72,262	72,262
Cash and cash equivalents at the end of the period	51,907	84,466	65,358	34,270	55,450	43,109

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's parent foundation, the Y-Foundation, is a non-profit entity whose domicile is Helsinki and registered address is Pitkäsillanranta 3 A, 00530 Helsinki. Copies of the consolidated financial statements are available at the parent foundation's head office.

Consolidation principles of the consolidated financial statements

General

The Group's accounting principles have been applied uniformly to the separate financial statements of the group companies. The consolidated financial statements have been prepared by consolidating the financial statements of the separate companies, and it includes housing companies, real estate companies and limited liability companies in which the holding is over 50 per cent.

Internal shareholding has been eliminated in accordance with the acquisition cost method. The difference in capital and reserves corresponding to the acquisition cost of subsidiaries and acquired share and the resulting deferred tax liabilities have been allocated to buildings. Companies acquired during the financial year are included in the consolidated financial statements as of the date of acquisition or as of the Group obtaining control, and divested subsidiaries up to when control is lost.

Intra-group business transactions, receivables and liabilities and essential internal margins have been eliminated in the consolidated financial statements. The allocation of profit for the financial year to equity holders of the parent company and minority interests is disclosed in the income statement, and the capital and reserves attributable to minority interest is disclosed as a separate item on the balance sheet. Partly-owned companies belonging to the Group in which the parent foundation has a holding of more than 50% but less than 100% have been consolidated by disclosing the profit deviating from the holding as a separate item. Correspondingly, the capital and reserves attributable to the companies in question are disclosed as a separate item. The minority interest included in the loans in the consolidated financial statements has been taken into consideration in calculating the indicators.

Associated companies are companies which do not belong to the Group and over which the parent foundation has direct or indirect considerable control. Considerable control takes place when the Group holds a minimum of 20 per cent of the votes conferred by shares in the company or the Group otherwise exerts considerable influence, but does not have control. Associated companies are consolidated using

the equity method. The share of associated companies' profit for the financial year pursuant to the Group's holding is disclosed as a separate item in the income statement.

Associated companies in which capital and reserves based on shareholding exceeded the acquisition cost were acquired in 2016. The resulting unrecognised Group reserve of these companies will be recognised as income over ten years.

Consolidated income statement

The income statement of the consolidated financial statements has been prepared based on the income statement formula of the parent, a charitable foundation. All of the Group's subsidiaries and joint ventures which are real estate and limited liability housing companies are consolidated in the financial statements.

The income from properties and their maintenance expenses have been considered to be closely associated with the parent foundation's actual operations, letting. Therefore, all of the income and expenses of the subsidiaries and joint ventures have been consolidated into the income and expenses of lease operations. By their nature, financial income and expenses are disclosed as part of financial and investing activities.

Consolidated balance sheet

The consolidated balance sheet has been prepared using the balance sheet formula of chapter 1, section 6 of the Accounting Decree, which is the same for all parties with an accounting obligation. The Foundation's initial capital and other capital and reserves items, subsidiaries' and joint ventures' share capital, reserves, surplus/deficit from previous years and surplus/deficit for the financial year have been consolidated under capital and reserves. The capital and reserves remaining after group eliminations comprises the Foundation's initial capital and reserves. The apartment acquisition reserve includes grants received; the grants involve conditions of return.

Consolidated cash flow statement

The consolidated cash flow statement has been prepared on the basis of the consolidated income statement and balance sheet, supplemented with additional information.

Accumulated appropriations

Accumulated appropriations comprise residential building provisions and accumulated depreciation difference. In the separate financial statements of the subsidiaries, the difference between depreciation according to plan and tax depreciation is disclosed as an appropriation on the income statement and accumulated appropriations on the balance sheet. In the consolidated balance sheet, accumulated

appropriations are divided between capital and reserves, minority interest and deferred tax liabilities. The change in residential building provisions and depreciation difference during the financial year is divided in the income statement between change in deferred tax liabilities, minority interest and profit for the financial year.

Measurement of non-current assets

Intangible and tangible assets are recognised on the balance sheet at original cost less planned depreciation and impairment. Grants associated with the acquisition of property, plant and equipment are deducted from the acquisition cost of the asset and grants are recognised as income in the form of smaller depreciation over the useful life of the asset.

In addition to acquisition costs and the asset transfer tax, the value of shares in housing companies held by the parent foundation includes the repair, share of loans and other acquisition expenses specified in the acquisition cost concerned by the grant issued by STEA. As of the beginning of 2015, acquisition repairs have been measured in long-term expenses on the balance sheet, and they are depreciated over ten years.

The consolidated goodwill and group reserve allocated to buildings is depreciated over 67 years in the case of new properties and for subsidiaries acquired prior to 1 January 2015 over the estimated remaining useful life, which in this case is 40 years. Minor asset purchases whose costs are below EUR 1,000 are recognised as expenses for the year. Subsequently arising expenses are included in the book value of a tangible asset only if it is likely that the future economic benefit relating to the asset will be to the benefit of the Group. Other repair and maintenance expenses are recognised through profit or loss as they materialise.

Account of grounds of planned depreciation and changes in them

Accounting for general grants in the parent foundation:

- Project grants have been transferred to income for the project concerned

- Grants for the acquisition of apartments granted by STEA are recognised in the apartment acquisition reserve. Grants for apartments subject to terms of return sold are transferred to accrued expenses and deferred income, and reused grants are returned to the reserve.

- The construction reserve includes STEA's and Housing Finance and Development Centre of Finland's investment grants for equity investments of real estate companies.

- Grants from municipalities and parishes are recognised in the general-purpose reserve. Grants received for apartments released from right of use restrictions are transferred to the general-purpose reserve.

- The amount of loans repaid during the previous financial year is transferred as internal transfers to the redemption reserve from the surplus for the previous financial year.

- The proportion of internal financing of investments during the previous year is transferred to the investment reserve from the surplus for the previous year, if possible.

Deferred tax assets and liabilities

Deferred tax liabilities and assets are recognised as temporary differences between taxation and financial statements using the tax rate for the following years confirmed on the closing date. As of acquisitions made in 2015, deferred tax liabilities have also been calculated for allocated consolidation assets, no liabilities have been recognised for acquisitions made prior to this. No deferred tax assets have been accounted for confirmed losses of subsidiaries in line with the prudence principle.

The effects of the coronavirus pandemic (COVID-19) on the Y-Foundation's operations

The outlook for this year is gloomier due to the extensive societal effects resulting from the prevention of the spread of the coronavirus pandemic. The health and well-being of our tenants and employees always come first, but we are also prepared for rent arrears, payment plans and even credit losses.

Account of grounds of planned depreciation and changes in them

Asset	Years/per cent	Depreciation method
Intangible assets	4-10 years	straight-line depreciation
Buildings	67 years	straight-line depreciation
Structures	25 - 40 years	straight-line depreciation
Machinery and equipment in buildings	20 - 50 years	straight-line depreciation
Machinery and equipment	25 %	reducing method of depreciation
Machinery and equipment	4 years	straight-line depreciation
Other tangible assets	10 - 30 years	straight-line depreciation

Notes to the income statement

1,000 EUR	30.6.2020 Group	30.6.2019 Group	31.12.2019 Group	30.6.2020 Parent	30.6.2019 Parent	31.12.2019 Parent
Income from lease operations	67,185	66,195	133,203	19,608	18,812	37,768
Income from property management services	33	33	66			
Notes concerning the personnel and members of the administrative organs						
Personnel expenses						
Performance-based pay with fringe benefits	4,055	4,088	7,494	1,207	1,206	2,164
Monetary value of fringe benefit	-85	-81	-164	-45	-40	-85
Pension expenses	712	777	1,376	247	262	423
Statutory social security expenses	128	75	142	24	23	42
Total	4,809	4,860	8,847	1,433	1,450	2,545
Average number of personnel	167	161	162	39	36	37
Fees paid to auditors						
Statutory audit	85	61	88	44	32	49
Other statutory assignments	11	6	6	8	4	4
Tax counselling	2	1	5	2	1	1
Other services	8	7	7			
Total	107	75	106	55	36	54
Fees paid to members of the Board of Trustees and Delegation	44	17	40	42	14	34
Depreciation, amortisation and impairment						
Depreciation, amortisation and impairment for the financial year	9,299	8,482	22,520	177	143	308
The group has recognised planned depreciation concerning buildings not recorded by the separate companies		1,346	2,108			
The lease periods for the plots are 0–60 years; leases EUR	1545	1,465	2,996			
Financial income and expenses						
Financial income						
Interest and dividend income from others	59	124	194	34	81	108
Interest income from group companies				1,862	1,587	3,509
Other financial income	216	104	406	137	40	267
Financial income total	275	228	600	2,033	1,708	3,883
Impairment of investments in non-current assets	-20	69	-6	-20	69	-6
Financial expenses						
Interest expenses to others	-6,168	-6,470	-12,724	-2,175	-2,292	-4,538
Other financial expenses	-365	-332	-1,139	-1,662	-1,127	-3,200
Financial expenses total	-6,533	-6,802	-13,863	-3,837	-3,419	-7,738
Financial income and expenses total	-6,278	-6,505	-13,269	-1,824	-1,642	-3,860
Direct taxes						
Income taxes on ordinary activities	-4	-5	-10			
Change in deferred taxes	-1,389	-1,161	-1,830			

Notes concerning the assets on the balance sheet

1,000 EUR

30.6.2020 Group 30.6.2019 Group 31.12.2019 Group 30.6.2020 Parent 30.6.2019 Parent 31.12.2019 Parent

Interest capitalised during the financial year and information about undepreciated capitalised interest expense

Construction-time interest has been included in the cost of a residential building.

The undepreciated part of capitalised interest expenses in the balance sheet items "Buildings and structures" comprises the following:

Capitalised during the financial year	51		50			
Capitalised during previous financial years	790	740	740			
Depreciated	-53	-298	-46			
Undepreciated item	788	441	744			
Intangible rights						
Balance at the beginning of the financial year	3,493	3,493	3,493			
Balance at the end of the financial year	3,493	3,493	3,493			
Depreciation for the financial year	-176	-94	-352			
Accumulated depreciation and amortisation at the beginning of the financial year	-896	-544	-544			
Accumulated depreciation and amortisation at the end of the financial year	-1,071	-638	-896			
Net expenditure at the end of the financial year	2,421	2,855	2,597			
Goodwill						
Balance at the beginning of the financial year	377	377	377			
Balance at the end of the financial year	377	377	377			
Depreciation for the financial year	-38	-38	-75			
Accumulated depreciation and amortisation at the beginning of the financial year	-226	-151	-151			
Accumulated depreciation and amortisation at the end of the financial year	-264	-188	-226			
Net expenditure at the end of the financial year	113	188	151			
Other capitalised long-term expenditure						
Balance at the beginning of the financial year	3,414	2,436	2,436	3,206	2,435	2,435
Increase	859	378	978	346	378	771
Balance at the end of the financial year	4,273	2,815	3,414	3,552	2,813	3,206
Depreciation for the financial year	-221	-133	-330	-169	-133	-288
Accumulated depreciation and amortisation at the beginning of the financial year	-1,061	-731	-731	-1,020	-731	-731
Accumulated depreciation and amortisation at the end of the financial year	-1,282	-864	-1,061	-1,188	-864	-1,020
Net expenditure at the end of the financial year	2,991	1,950	2,353	2,363	1,949	2,187
Intangible assets total	5,525	4,993	5,102	2,363	1,949	2,187

1,000 EUR	30.6.2020 Group	30.6.2019 Group	31.12.2019 Group	30.6.2020 Parent	30.6.2019 Parent	31.12.2019 Parent
Land and waters						
Balance at the beginning of the financial year	71708	64833	64833			
New sites	1460	3129	3870			
Increase	98	427	2871			
Transfers between items			134			
Balance at the end of the financial year	73,266	68,389	71,708			
Connection fees						
Balance at the beginning of the financial year	9,769	9,489	9,489			
Increase	141	105	2,345			
Transfers between items	19		-2,066			
Balance at the end of the financial year	9,929	9,594	9,769			
Property leases						
Balance at the beginning of the financial year	147	147	147			
Balance at the end of the financial year	147	147	147			
Buildings and structures						
Balance at the beginning of the financial year	765,588	722,516	722,516			
Grants	-574		-200			
New sites			508			
Increase	21,755	11,621	42,850			
Transfers between items	-768	576	-86			
Balance at the end of the financial year	786,000	734,713	765,588			
Depreciation for the financial year	-8,423	-7,917	-16,440			
Accumulated depreciation and amortisation at the beginning of the financial year	-65,269	-44,349	-44,349			
Accumulated transfers between items			-48			
Impairments			-4,433			
Accumulated depreciation and amortisation at the end of the financial year	-73,692	-52,266	-65,269			
Net expenditure at the end of the financial year	712,308	682,447	700,318			
Machinery and equipment						
Balance at the beginning of the financial year	2,847	2,414	2,414	259	255	255
Increase	186	271	433		4	4
Balance at the end of the financial year	3,033	2,684	2,847	259	259	259
Depreciation for the financial year	-178	-147	-461	-1	-10	-20
Accumulated depreciation and amortisation at the beginning of the financial year	-1,520	-1,058	-1,058	-256	-236	-236
Impairments			-1			
Accumulated depreciation and amortisation at the end of the financial year	-1,698	-1,206	-1,520	-257	-246	-256
Net expenditure at the end of the financial year	1,335	1,479	1,327	3	13	3

1,000 EUR	30.6.2020 Group	30.6.2019 Group	31.12.2019 Group	30.6.2020 Parent	30.6.2019 Parent	31.12.2019 Parent
Other tangible assets						
Balance at the beginning of the financial year	2092	1859	1859	5	5	5
Increase	1514	72	233	168		
Transfers between items		50				
Balance at the end of the financial year	3606	1981	2092	173	5	5
Depreciation for the financial year	-264	-153	-430	-8		
Accumulated depreciation and amortisation at the beginning of the financial year	-1326	-896	-896			
Accumulated depreciation and amortisation at the end of the financial year	-1,590	-1,049	-1,326	-8		
Net expenditure at the end of the financial year	2,016	932	766	165	5	5
Advance payments and construction in progress						
Balance at the beginning of the financial year	21,765	26,531	26,531			
Grants		-1,284	-1,859			
Increase	194	8,700				
Decrease			-2,908			
Transfers between items		-626				
Balance at the end of the financial year	21,959	33,320	21,765			
Tangible assets total	820,960	796,308	805,800	168	18	8
Shares in housing companies						
Balance at the beginning of the financial year	347,699	338,136	338,136	347,699	338,136	338,136
Increase	5,177	7,299	11,017	5,177	7,299	11,017
Properties sold	-519	-461	-1,357	-519	-461	-1,357
Decrease	-95	-22	-97	-95	-22	-97
Balance at the end of the financial year	352,261	344,952	347,699	352,261	344,952	347,699
Shares in subsidiaries						
Balance at the beginning of the financial year				14,557	14,481	14,481
Increase						76
Balance at the end of the financial year				14,557	14,481	14,557
Shares in associated companies						
Balance at the beginning of the financial year	5,070	4,392	4,392	3,579	3,579	3,579
Decrease		-85	-85			
Share of profit from associated companies	235	258	763			
Balance at the end of the financial year	5,305	4,565	5,070	3,579	3,579	3,579
Other shares and participations						
Balance at the beginning of the financial year	3,175	1,110	1,110	3	3	3
Increase	15					
Transfers between items	768		2,066			
Balance at the end of the financial year	3,958	1,110	3,175	3	3	3
Investments	361,524	350,627	355,944	370,400	363,015	365,838

Shares and participations held by the Y-Foundation

Shares in group companies	Domicile	Group's holding, %	Parent company's holding, %
Subsidiaries			
Kiinteistö Oy Keiteleentie 3	Helsinki	100.00	100.00
Kiinteistö Oy Yypari	Kouvola	100.00	100.00
Kiinteistö Oy Y-Kara	Kouvola	100.00	100.00
Kiinteistö Oy Y-Säätiön Pienasunnot	Tampere	100.00	100.00
Asunto Oy Enon Havupuisto	Joensuu	100.00	100.00
Kiinteistö Oy Ylöjärven Kuusistontie 9	Ylöjärvi	100.00	100.00
Kiinteistö Oy Keuruun Juurikkaniemi	Keuruu	100.00	100.00
Kiinteistö Oy Hiittenhovi	Harjavalta	100.00	100.00
Kiinteistö Oy Y-Säätiön Palvelutalot	Helsinki	100.00	100.00
Kiinteistö Oy Joensuun Senioriparkki	Joensuu	51.60	51.60
Kiinteistö Oy Kotkan Tietotalo	Kotka	100.00	100.00
Asunto Oy Fleminginkatu 9 a	Helsinki	100.00	100.00
Y-Säätiön Palvelut Oy	Helsinki	100.00	100.00
Asunto Oy Tuusulan Korkintie 1	Tuusula	80.14	80.14
Kiinteistö Oy Martinuskodit	Tampere	100.00	100.00
Kiinteistö Oy Uudenkaupungin Lukkosepänkatu 1	Helsinki	51.00	51.00
Associated companies			
Kiinteistö Oy Haagan Kumppanit	Helsinki	39.10	39.10
Kiinteistö Oy Rukki	Turku	48.01	48.01
Kiinteistö Oy Petäjaveden Ankkuri	Petäjävesi	33.04	33.04
Asunto Oy Kolmas linja 25 Bostads Ab	Helsinki	49.23	49.23
Subgroup, the Y-Foundation's holding 100%			
Kiinteistö Oy M2-Kodit	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Muurahaisenpolku 6	Helsinki	64.36	64.36
Kiinteistö Oy Helsingin Jallukka	Helsinki	64.40	64.40
Asunto Oy Päivöläntie 25	Helsinki	93.86	93.86
Asunto Oy Espoon Klariksentie 2	Espoo	92.75	92.75
Kiinteistö Oy M2-Vuokrakodit	Vantaa	100.00	100.00
Kiinteistö Oy Lappeenrannan Koulukatu 1	Lappeenranta	75.55	75.55
Asunto Oy Nokian Rantahelmi 1	Nokia	100.00	100.00
Koy Tampereen Jallukka	Helsinki	55.00	55.00
Kiinteistö Oy Espoon Runoratsunkatu 9	Espoo	100.00	100.00
Kiinteistö Oy Nokian Säästökeskus	Nokia	100.00	100.00
Associated companies			
Asunto Oy Satotaival	Kerava	34.65	34.65
Kiinteistö Oy Salpalohi	Kerava	33.33	33.33
As. Oy Järvenpään Jampanpaju	Järvenpää	41.35	41.35
Hatanpäänhovin Pysäköinti Oy	Tampere	20.63	20.63
Kiinteistö Oy Tampereen Taijan Parkki	Tampere	49.17	49.17
Kiinteistö Oy Vantaan Puunhaltijankujan Parkki	Vantaa	44.62	44.62
Mummunkujan pysäköinti Oy	Tampere	26.51	26.51
Tamppi Pysäköinti Oy	Tampere	23.21	23.21
Veturitallin Parkki Oy	Jyväskylä	37.50	37.50
Kiinteistö Oy Jyrkkälänpolku	Turku	28.85	28.85
Kiinteistö Oy Ahdinluoto	Espoo	34.50	34.50

1,000 EUR	30.6.2020 Group	30.6.2019 Group	31.12.2019 Group	30.6.2020 Parent	30.6.2019 Parent	31.12.2019 Parent
Capital and reserves						
Initial capital at the beginning of the financial year	20	20	20	20	20	20
Initial capital at the end of the financial year	20	20	20	20	20	20
Apartment acquisition reserve at the beginning of the financial year	185,520	180,443	180,443	185,520	180,443	180,443
Transfer of grants	751	1,422	5,786	751	1,422	5,786
Decrease	-205	-166	-710	-205	-166	-710
Apartment acquisition reserve at the end of the financial year	186,066	181,700	185,520	186,066	181,700	185,520
Construction reserve at the beginning of the financial year	8,603	8,603	8,603	8,524	8,524	8,524
Construction reserve at the end of the financial year	8,603	8,603	8,603	8,524	8,524	8,524
Grant reserve at the beginning of the financial year	1,593	1,593	1,593	1,593	1,593	1,593
Grant reserve at the end of the financial year	1,593	1,593	1,593	1,593	1,593	1,593
Homelessness and marginalisation research reserve at the beginning of the financial year	3	3	3	3	3	3
Homelessness and marginalisation research reserve at the end of the financial year	3	3	3	3	3	3
General-purpose reserve at the beginning of the financial year	34,600	33,864	33,864	34,600	33,864	33,864
Transfer from acquisition reserve	205	166	628	205	166	628
Transfers of other investment grants	27	55	109	27	55	109
General-purpose reserve at the end of the financial year	34,833	34,084	34,600	34,833	34,084	34,600
Redemption reserve at the beginning of the financial year	67,914	61,420	61,420	67,908	61,414	61,414
Accumulated	5,204	6,494	6,494	5,204	6,494	6,494
Redemption reserve at the end of the financial year	73,118	67,914	67,914	73,112	67,908	67,908
Investment reserve at the beginning of the financial year	30,932	30,932	30,932	30,932	30,932	30,932
Investment reserve at the end of the financial year	30,932	30,932	30,932	30,932	30,932	30,932
Surplus/deficit from previous financial years	37,398	30,877	30,877	257	257	257
Profit for the financial year	7,201	6,881	11,725	2,844	2,582	5,204
Capital and reserves total	379,767	362,608	371,788	338,183	327,603	334,561
Minority interest at the beginning of the financial year	2,179	2,154	2,154			
Right issue		4	4			
Increase in holdings in subsidiaries			4			
Profit/loss for the financial year	-40	28	18			
Minority interest at the end of the financial year	2,140	2,185	2,179			
Deferred tax liabilities at the beginning of the financial year	11,348	9,428	9,428			
Changes	1,389	1,176	1,919			
Deferred tax liabilities at the end of the financial year	12,737	10,604	11,348			
Financing loans						
State Treasury loans	180,217	201,943	188,178	17,328	19,759	18,546
Municipality Finance loans	367,038	352,016	360,422			
Financial institutions	213,840	217,898	215,968	81,809	88,417	84,710
Bonds	75,000	75,000	75,000	75,000	75,000	75,000
Total	836,095	846,856	839,568	174,137	183,176	178,256
Minority interest included in the Group's loans	8,919	8,019	7,987			

1,000 EUR	30.6.2020 Group	30.6.2019 Group	31.12.2019 Group	30.6.2020 Parent	30.6.2019 Parent	31.12.2019 Parent
Financing loans maturing in more than five years						
State Treasury	110,870	125,748	107,016	8,931	10,311	9,576
Municipality Finance Plc	365,968	343,483	334,038			
Financial institutions	164,003	163,040	108,698	42,316	51,327	48,922
Total	640,841	632,272	549,752	51,247	61,638	58,497
Grants granted but not withdrawn						
STEA	6746	5021	223	6746	5021	223
Pledged assets and contingent liabilities						
Liabilities for which assets have been pledged as collateral						
Loans	634,929	846,856	839,568	174,137	183,176	178,256
Mortgages given	1,144,251	1,106,564	1,114,452			
Shares in limited liability housing companies	217,295	217,295	217,295	217,295	217,295	217,295
Other assets pledged, secondary pledges	17,929	4,901	14,957			
Mortgages have been pledged as collateral for property leases						
total	30,873	32,591	30,873			
Commitments						
Y-Foundation's absolute guarantees obligations	3,200	3,200	3,200	3,200	3,200	3,200
Derivative instruments, group						
The Y-Foundation uses interest-rate derivatives to hedge cash flows in case of an increase in market interest rates.						
Nominal values of derivative instruments	267,701	356,778	300,575	92,193	107,882	95,040
Market values	-13,323	-15,508	-11,020	-2,542	-3,570	-2,461
interest rate options not included in hedge accounting	86,079	5,813	62,642	15,437	5,813	15,625
Market values	-5,885	-259	-3,478	-1,241	-259	-813
The difference between the nominal value and fair value has been expensed through profit or loss	9		-206	9		-206
Revolving credit facility						
The Foundation has a revolving credit facility of EUR 2 million from Danske Bank, of which undrawn on the closing date	2,000	2,000	2,000	2,000	2,000	2,000
The Foundation has a revolving credit facility of EUR 5 million from Handelsbanken, of which undrawn on the closing date	5,000	5,000	5,000	5,000	5,000	5,000

1,000 EUR	30.6.2020 Group	30.6.2019 Group	31.12.2019 Group	30.6.2020 Parent	30.6.2019 Parent	31.12.2019 Parent
Assets subject to condition of return						
Balance sheet value						
Shares in housing companies	197,845	193,283	191,689	191,689	193,283	191,689
Shares in real estate companies	7,070	7,070	7,070	7,070	7,070	7,070
Total	204,915	200,353	198,759	198,579	200,353	198,759
of which covered by grants	119,623	117,342	116,034	116,034	117,342	116,034
Other operations supported by STEA						
Housing counsellors, AUNE network developers, AUNE – Toimekas, Sea-Tribe, Women's homelessness						
STEA's grants	665	787	1,363	665	787	1,363
operating expenses	-560	-714	-1,363	-560	-714	-1,363
The expenses of STEA-supported activities are included in the expenses of central administration.						
Shares pledged as collateral for loans						
State Treasury	47,446	47,580	47,776	47,580	47,580	47,776
financial instruments book value	135,962	135,962	135,962	135,962	135,962	135,962
pledged at fair value	217,295	217,099	217,295	217,099	217,099	217,295





Y-Foundation
P.O.Box 322 | Pitkäsillanranta 3A
00531 Helsinki
ysaatio.fi | m2kodit.fi
09 7742 5540

