



Y-FOUNDATION

**Board of Trustees'  
report and financial  
statements  
2020**





# Contents

## Y-Foundation

CEO's review	3
The Y-Foundation in brief	4
The year 2020 in figures	4
Strategy	4
The Y-Foundation's significance in society	5

## Apartments

Properties	7
Property development	7
Property maintenance	7
Energy consumption	8
Renovation	8
Rental operations	9
Tenants	9
The economic and social well-being of tenants	9
Tenant activities	9
Uuras employment programme	9

## Development

Development and influence	11
Digitalisation	11
Research activities	11
Network activities and projects	11

## Personnel

Personnel	14
-----------	----

## Finance

Financial position	16
The Foundation's governance	16
Values and responsibility	17
Risk management	17
Future outlook	18
Note 1: Y-Foundation's governance	19
Note 2: Related party transactions at the Y-Foundation	20

## Financial statements

21

## CEO's review

Last year marked 35 years since the Y-Foundation was established. We celebrated this milestone by continuing to work on our business, albeit under very unusual circumstances. The COVID-19 pandemic characterised the Foundation's operations in many ways, although its impacts on the Foundation's finances were minimal.

In the early stages of the pandemic, the Y-Foundation decided that it would not implement any temporary layoffs or redundancies due to the pandemic. For the personnel, COVID-19 meant a switch to working remotely for the most part and having to quickly come to grips with new digital tools. The fact that the Foundation was able to continue all of its operations without disruption was largely due to the commitment and flexibility of our personnel. We hired 31 summer workers in spite of the exceptional circumstances.

Despite the COVID-19 pandemic, the Foundation's operations remained stable under modified procedures and practices. We continued our unfinished renovation projects, such as Koti kuntoon renovations. 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.

We took the sudden deterioration of our business premises tenants' ability to pay rent into account by implementing adjusted payment plans as necessary. COVID-19 also influenced the service use of apartment applicants and tenants. Customer service was mainly provided via electronic channels and by advance reservation. Apartment tours were increasingly made to vacant apartments, which slowed down the rental process at times.

The effects of the economic uncertainty caused by the pandemic are likely to be more apparent in 2021.

In terms of new construction, it was a record-breaking year for the Foundation. The highlights of the year included the largest individual construction contract in the Foundation's history, the start of construction on the Foundation's tallest apartment building to date and a large number of apartments under construction – 790 at the end of the year.

International interest in the Foundation's operations remained high, although correspondence mainly took place remotely. The Foundation continued its efforts to promote housing with dignity and fairness in society sustainably in cooperation with its domestic and international partner network.

The Foundation's new long-term strategy was drafted during the year. The strategy extends to 2030 and uses the UN Sustainable Development Goals as its



Photo: Lasse Lecklin

framework. The key objectives of the ambitious strategy are the economic and social well-being of tenants, a fair transition towards carbon neutral living and eradicating homelessness in Finland and reducing it internationally. Approved by the Board of Trustees, the strategy also reflects the handprint of the Foundation's personnel and, in particular, a challenger group comprised of young employees.

At 35 years of age, the Y-Foundation still has a sharp focus on its mission: So that everyone can have a home.

**Juha Kaakinen**  
CEO

The year  
2020 was exceptional  
and required flexibility  
from all of us. Nevertheless,  
we worked every day  
according to our mission:  
So that everyone  
can have a home.

## The Y-Foundation in brief

The Y-Foundation Group is the fourth-largest lessor in Finland. We are a social operator and an expert on combating homelessness. We are a politically independent non-profit entity. We want everyone in Finland to have a home. We have more than 17,000 rental apartments in 55 cities and municipalities. Our apartments include M2-Kodit and Y-Kodit rental apartments. We bear responsibility for the economic and social well-being of the 24,000 tenants of our rental apartments.

### The year 2020 in figures

Revenue  
**135.7 MEUR**  
(133.2 MEUR)

Rent margin  
**28.9%**  
(25.3%)

Equity ratio at book value  
**30.7%**  
(30.2%)

Fair value equity ratio  
**42.8%**  
(41.8%)

Financial occupancy rate  
**96.9%**  
(97.2%)

Y-Foundation Group owned rental apartments  
**17,374**  
(17,327)

Apartments under construction  
**790**  
(139)



## Strategy

The Y-Foundation drafted a new strategy that was approved by the Board of Trustees in autumn 2020. The strategy is based on the UN Sustainable Development Goals.

During the 2020–2030 strategy period, the Y-Foundation will focus particularly on three major objectives:

1. We want the Y-Foundation Group's tenants to enjoy a high level of economic and social well-being.
2. We work to eradicate homelessness in Finland and reduce it internationally. We engage in close cooperation with cities, municipalities and NGOs.
3. We aim for a fair transition towards carbon neutral living.

We want to be a carbon neutral operator by 2035. We support our tenants in sustainable living.



## The Y-Foundation's significance in society

Our basic mission is to eradicate homelessness. According to a homelessness survey by the Housing Finance and Development Centre of Finland ARA, homelessness in Finland decreased by 259 persons in 2020. The number of homeless people living alone was 4,341 in November 2020. The number of long-term homeless people increased by 93 and came to 1,054. These figures provide an indication of the situation as things stood in November. In light of these figures, the reduction in homelessness appears to be connected to the rental housing situation improving at least temporarily. This does not, however, help those who need support related to their housing. They will remain homeless.

The Programme of Prime Minister Sanna Marin's Government promises to eradicate homelessness in Finland within two government terms. The target is for the number of homeless people to be cut in half in two years, using 2019 as the baseline.

The new national homelessness programme has been slow to get going and the impact of its measures is barely apparent in the statistics

on homelessness. The goal set out in the Government Programme cannot be achieved without purposeful and credible measures taken in cooperation between the state, local government and NGOs.

Of particular concern is the resistance faced by housing unit projects aimed at homeless people. The number of units is already low as it is. The example set by policy-makers is significant in decisions concerning the location of housing units.

The Finnish approach to solving the problems associated with homelessness has served as an example for countries that struggle with homelessness. A few European countries have already begun developing their own solutions based on the Housing First model. However, change is slow and homeless people elsewhere in Europe are still usually directed to dormitories and third-sector organisations that help the homeless.

A photograph of a desk setup. On the left, a white computer monitor sits on a wooden base. To its right is a white keyboard on a light blue gift box with a white polka-dot pattern. The gift box has a red and grey striped section with a white circular tag and yellow string. In the foreground, a light blue patterned pillow and a yellow patterned pillow are visible. A white circle is overlaid in the center of the image, containing the text 'Apartments' in a dark blue, sans-serif font.

# Apartments

# Properties

At the end of the review period, the Y-Foundation Group had 17,374 (17,327) apartments. This total figure includes both M2-Kodit and Y-Foundation rental apartments. Of the rental apartments, 53.1 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 decrease in the number of M2-Kodit apartments is due to demolition operations in Vantaa's Martinlaakso district early in the year. New apartments that meet demand better will be built in place of the demolished apartment buildings in the future.

The Y-Foundation has 6,850 (6,746) 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.

## Property development

A total of 48 (235) new M2-Kodit apartments were completed in 2020. Finland's first two solid wood apartment buildings were completed in Palokka, Jyväskylä.

A new property with 91 rental apartments

## Indicators for 2020

	M2-Kodit	Y-Foundation	Group
Apartments in different cities and municipalities	30	52	55
Number of apartments	10,524	6,850	17,374
Average rent EUR/sqm/month	13.66	12.90	13.45
Financial occupancy rate, %	95.8	99.1	96.9
Turnover, %	23.44	4.29	15.82
Rental income, EUR million	95.3	39.4	135.7
Renovation expenses, EUR million	33.2	3.6	38.0
Heating, water and electricity, EUR million	12.4		13.9

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, 51 (85) Y-Kodit apartments were acquired for people who are currently homeless or at risk of becoming homeless. A total of 38 (21) Y-Kodit apartments were sold in locations where they were no longer needed.

The Group had 790 (139) rental apartments under construction at the end of the review period, with 734 (48) of these being M2-Kodit apartments. New properties will be completed in the next few years in Helsinki (62 apartments), Vantaa (192 apartments), Espoo (178 apartments), Tuusula (89 apartments), Kuopio (48 apartments), Tampere (39 apartments, 17 of which are owned by the partner Elmu sr), Lempäälä (46 apartments), Nokia (84 apartments) and Jyväskylä (52 apartments).

The Foundation's objective in new construction projects is to develop eco-friendly construction processes and use renewable energy. A new property completed in Jyväskylä in summer 2020 became the first

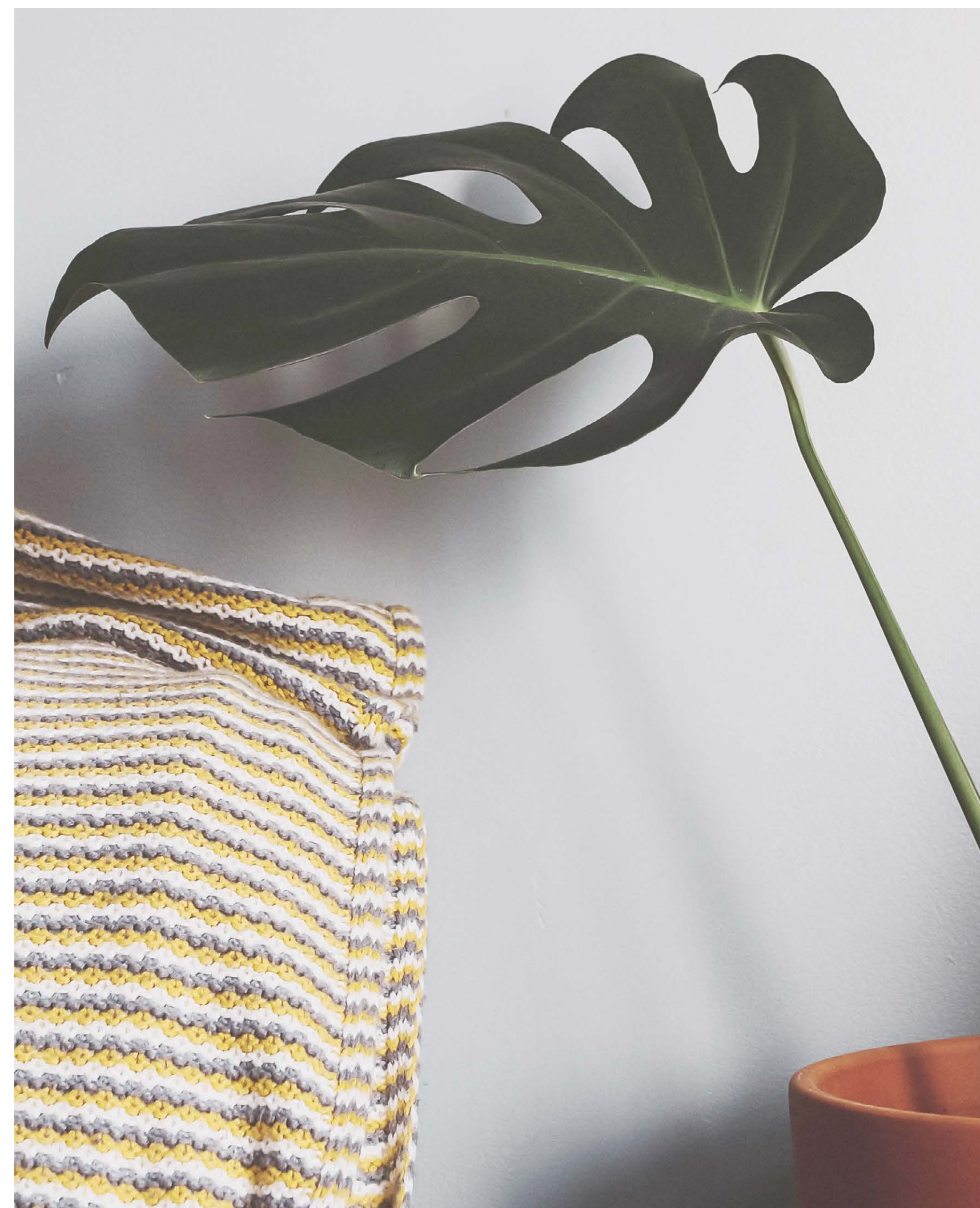
Y-Foundation Group property to have a system for capturing heat from wastewater.

## Property maintenance

Property management for the Foundation's properties is mostly handled by in-house staff. Property management services are outsourced to partners at our properties located in Salo, Turku and Uusikaupunki. The service provider is Realia Management Oy. The Foundation also produces property management services for Koy Niemikotitalot, which is owned by the Lilinkotisäätiö Foundation.

Property maintenance is mainly outsourced to partners. At 30 (30) properties in the Helsinki metropolitan area, property maintenance is carried out by M2-Kodit's own property maintenance unit M2-kiinteistöpalvelut. M2-kiinteistöpalvelut provides property maintenance, cleaning, renovation and landscaping services for Y-Foundation's apartments as well as M2-Kodit properties and business premises. M2-kiinteistöpalvelut provides cleaning services at 44 (44) M2-Kodit properties.

A full-time cleaner from M2-siivouspalvelut is responsible for the cleanliness of the





Y-Foundation Group's business premises. In the Helsinki metropolitan area, apartment cleaning and the basic cleaning of the properties are primarily carried out by providing employment to the tenants of M2-Kodit under the Uuras employment programme.

M2-remonttipalvelut specialises in small renovation jobs and handles minor repairs and renovations needed when apartments are rented to new tenants.

M2-viherpalvelu is a landscaping service that was responsible during the 2020 growing season for the maintenance of yards and plants at all properties in Espoo, Helsinki, Kirkkonummi and Vantaa. M2-viherpalvelu also carries out small renovation and construction work in green areas.

Lawn mowing and other maintenance of lawns at M2-Kodit properties in summer 2020 was handled by young summer workers organised into three mobile teams.

The quality of property maintenance and cleaning is monitored by means of an electronic quality management system. Regular quality inspection visits are participated in by the property managers, cleaning supervisor and, with regard to technical systems, an external expert company.

The lift maintenance of the entire property portfolio was put up for competitive tendering in 2020. The proactive full maintenance agreement will enter into effect in early 2021.

The property insurance of M2-Kodit properties was also put up for competitive tendering during the year. The new all-risk insurance policy entered into effect in November 2020.

### Energy consumption

We deployed the Leanheat system at most of our properties in 2020. The system takes advantage of artificial intelligence to maintain

an energy-efficient indoor temperature and increase comfort. The system enables us to achieve significant savings in the heat consumption of our properties. The deployment of the Leanheat system is part of the Y-Foundation's goal of improving properties' energy efficiency and reducing CO2 emissions.

The Foundation is a member of the Rental Property Action Plan on Energy Efficiency (VAETS) during the period from 2017 to 2025. In accordance with the plan, the Foundation is committed to energy efficiency measures whose calculated savings will amount to 4 per cent by 2020 and 7.5 per cent by 2025, using the energy consumption at the time of joining (2016) as the baseline. 82 per cent of the 7.5 per cent target had been achieved by the end of 2019. According to a preliminary calculation, the 7.5 per cent target was exceeded in 2020.

During the past two years, we converted all of our gas and oil-heated properties to use geothermal heating. In 2020, we started an assessment regarding the more extensive use of geothermal heating at M2-Kodit properties.

The energy consumption figures for the Foundation's properties developed favourably during the financial year. The heating consumption of our properties amounted to 99,924 (106,586) MWh for the year. Electricity consumption totalled 14,391 (15,642) MWh. Zero-carbon electricity produced from Nordic hydropower is purchased for all of the Foundation's properties.

The exceptional circumstances caused by the pandemic increased the total water consumption of the Group's properties slightly. The total consumption figure was 1,044,216 m<sup>3</sup>, representing a change of +5.2 per cent compared to the previous year.

We reduce water consumption by using water-conserving plumbing fixtures that are regularly maintained. Our modern consumption monitoring systems also enable us to respond quickly to changes in consumption. In 2020, we deployed an automated calculation and reporting feature for the CO2 emissions arising from energy consumption as part of our consumption monitoring system.

### Renovation

We look after our properties throughout their life-cycle. We study whether it is more environmentally friendly and cost-effective to renovate a property or to build a new property under the demolition-and-redevelopment model.

A large renovation project began in Helsinki's Herttoniemi district in 2020. The renovation project prioritises ecology and energy efficiency. Solar panels will be installed at the property during the renovation project.

Façade renovations were carried out at six of the Group's properties in 2020.

We also renovated our properties across Finland under the Koti kuntoon renovation model. Following these renovations, 425 (521) apartments now have indoor surfaces and home appliances that are as good as new. An expanded Koti kuntoon project was also started in Helsinki's Malminkartano district, involving large two-room apartments being split into singles. The property will be completed in 2021.

Life-cycle sustainability is taken into consideration in choices of materials, furniture and home appliances in all of the Y-Foundation Group's property and apartment renovations.



# Rental operations

M2-Kodit apartments are mainly rented out as an in-house activity. Apartment rental services are outsourced in Kotka, Salo, Rovaniemi and Joensuu.

The Y-Foundation Group operates on a cost basis. Rents were not increased in the M2-Kodit housing stock in 2020, in the previous year the rents increased 1.5 percent. In the Y-Foundation's housing portfolio, rents increased by 2.6 (1.5) per cent on average.

The financial occupancy rate of M2-Kodit was 95.8 (96.5) per cent. The financial occupancy rate was reduced by short-term vacancies caused by Koti kuntoon renovation projects, the decline in demand caused by the COVID-19 pandemic and the increased supply of rental apartments in the market.

## Tenants

The tenant satisfaction of M2-Kodit is measured regularly. The responses indicate that M2-Kodit has a high level of customer satisfaction. The Net Promoter Score among tenants was 41.5. Of the tenant benefits offered by M2-Kodit, benefits that influence the tenants' finances are valued the highest. Based on the feedback we have received, we have developed measures and pilot models aimed at improving customer satisfaction and developing our services in the right direction in 2021.

## The 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.

The pandemic affected tenants' economic situation and ability to pay rent. We increased the flexibility of rent payment and offered

tenants the opportunity to make a payment plan for their rent arrears at no additional expense. We also did not collect any charges for payment reminders or charge interest on delayed payments in 2020.

Housing and financial counsellors worked together with property management personnel and rent supervisors to carefully assess the individual situation of tenants at risk of eviction. The aim was to avoid evictions during the COVID-19 pandemic to the greatest possible extent. When tenants were motivated to sort out their personal situation, eviction could usually be avoided or at least the tenant's moving out was achieved in a planned and controlled manner.

We experimented with various channels during the year to reach tenants who need housing and financial counselling. Examples of these channels included online chats, Instalive and YouTube videos as well as articles in online publications and tenant publications.

The number of customers who used housing counselling services increased by 17 per cent for M2-Kodit and by 30 per cent for Y-Kodit in 2020. The most common reason for seeking housing counselling was rent arrears, followed by other disruptions in housing and conflicts with neighbours. For some tenants, looking after their home was also difficult.

We piloted a neighbour mediation model during the year. We started neighbour mediation training for property managers, housing counsellors and legal personnel. Housing counsellors also worked together with property managers to develop an intervention model to address situations where the condition of an apartment is neglected as well as various other disturbances.

The VelatOn financial counselling development project was under way during the year and will continue until the end of 2021. The project developed a model for matching apartments with the tenant's income level. This involves using multidisciplinary cooperation to offer tenants with rent arrears an apartment that matches their income level and thereby helps them bring their housing expenses to a sustainable level. In addition, a pilot project was launched in the Lahti and Hyvinkää regions aimed at developing tenant selection for applicants with rent arrears and supporting their success with housing.

We strengthened our lessor cooperation in 2020 with regional housing networks. Coordinated by municipalities, the networks consist of local lessors and representatives of social services. The aim of the cooperation is to develop operating models for successful housing.

## Tenant activities

M2-Kodit's tenant activities are based on the Act on Joint Management of Rental Buildings. The tenant administration at M2-Kodit consists of a tenant council, 12 regional groups and building committees. The tenant council is the highest body of tenant activities and it consists of the chairpersons of the regional groups. The chair of the tenant council is a member of the M2-Kodit Board of Trustees.

The term of office of the M2-Kodit regional groups and tenant council was due to end in autumn 2020. The term of the regional groups and tenant council was extended by one year due to the prevailing exceptional circumstances. At the same time, it was decided that the tenant council's term of office will be two years from now on.

The COVID-19 pandemic also influenced

**The COVID-19 epidemic affected our tenants' ability to pay rent. In accordance with our strategy, we wanted to support the economic well-being of our tenants. Therefore, we increased the flexibility of rent payment.**

tenant events. Only two events were organised during the year: an M2 Day event for the chairpersons of building committees in February and a live-streamed Christmas concert for all tenants in December. The events outlined in the action plan for building committees did not take place due to the COVID-19 situation. As social activities were cancelled, the building committees sent small greetings and congratulations to tenants during the year.

## Uuras employment programme

Under the Uuras employment programme, we have offered employment opportunities to tenants at our properties, primarily in the Helsinki metropolitan area.

Via the Uuras job bank, a total of 2,043 (712) work assignments were performed for the Foundation and 131 (96) work assignments for partners in 2020. The plan is to expand the Uuras programme to other parts of Finland.

A relocation assistance pilot was launched as part of the Uuras programme during the year. In the pilot, relocation assistance and moving equipment was offered to tenants in connection with Koti kuntoon renovation projects. Relocation assistance was tested at two properties in the Helsinki metropolitan area and one property in Tampere. The pilot is set to be continued in 2021.

At the Wärtsiläkatu 10 property completed in Järvenpää in spring 2020, the tenants of M2-Kodit have cleaned the staircases under the Uuras programme. At the Rukkila housing unit, tenants participated in snow clearing under the Uuras programme.

The Uuras employment programme also participated in the Arvo association's impact accelerator training activities. The aim of the training is to develop socially responsible activities. The theme for 2020 was work and the target group was people for whom finding employment is difficult.



# Development

# Development and influence

## Digitalisation

The development of the Y-Foundation Group's ICT systems continued in 2020.

The joint ERP system development project progressed according to plan in cooperation with partners and the vendor. Support and maintenance of the current ERP system continued as an in-house activity in cooperation with the vendor.

The purchase invoice processing system was replaced in early 2020. The use of Power BI was enhanced and a reporting development plan was drafted.

The use of software robotics became an established practice in the processing of terminations and new uses for automation were also actively assessed.

A competitive tendering process was organised in the autumn to replace the customer service system. The system will be replaced in early 2021. The decision to also replace the Group's telephone system at the same time was made.

The OmaM2 self-service channel for tenants was launched in spring 2020 and its development continued in the autumn. Online chat has become established as a service channel for our customers in its first year of operation.

Cooperation with partners continued under the previous models with respect to the maintenance of basic IT systems and infrastructure.

Special attention was paid to the practical implementation of information security in 2020. During the autumn, a more extensive project to replace ageing workstations was prepared for implementation in 2021.

## Research activities

The Y-Foundation engages in diverse research activities. The Foundation employs two full-time researchers.

The research team has participated in international and national development efforts related to homelessness among women. A researcher employed by the Foundation is the coordinator for the international Housing First Europe Hub research team. A researcher employed by the Foundation has also participated in the Erasmus+ Women and Homelessness project together with the NEA project.

The activities under way in 2020 included a qualitative study on housing paths for women, for example. An article on the study will be written for an international scientific

journal in spring 2021. In addition, a publication on housing-related social work and several articles are in development based on projects coordinated by the Foundation.

## Network activities and projects

Influence and development are among the Y-Foundation's key non-profit activities that are financed by both external funding as well as substantial funding by the Foundation itself.

### Housing First Europe Hub

International cooperation was active in spite of the need to rely on remote correspondence through most of the year. [Housing First Europe Hub](#) is a permanent learning platform coordinated by the Y-Foundation and FEANTSA and aimed at the renewal of homelessness-related work in Europe. It has more than 30 members.

The network continued to grow. The new members who joined Housing First Europe Hub included municipal representatives as well as research entities. Webinars on

research and influence and, in particular, the development of new forms of work emerged as key themes during the year. International interest in the Y-Foundation's work and the organisation itself increased further.

### Housing First Development Network

[The Housing First Development Network](#) coordinated by the Y-Foundation received targeted operational assistance from the Funding Centre for Social Welfare and Health Organisations to extend its project period. The network promotes practices in line with the Housing First principle to combat homelessness in Finland. Podcasts and videos on homelessness-related efforts were launched in 2020. The first series of podcasts consisted of nine episodes and drew listeners from 25 countries.

The first Housing First coach training started in 2020 and will end in spring 2021.

In October, the Housing First Development Network partnered with ARA and the City of Turku to organise the traditional Night of the Homeless seminar. The topic of the seminar was homelessness among young people.

LAB University of Applied Sciences implemented the first online training on work orientation for housing-related social services, which makes use of material distributed via the [asuntoensin.fi](#) website. The training programme was developed in partnership between AUNE program, ARA, the Y-Foundation and LAB University of Applied Sciences.

The housing counselling report compiled by the Housing First Development Network and NAL, "Neuvokkaasti palveluiden piiriin – asumisneuvonta asumisen mahdollistajana", was published in early 2020. It was submitted to the preparatory working group for making housing counselling a statutory obligation. In addition, to support the new programme aiming at the halving of homelessness, Change Laboratory activities produced the "Asunto ensin 2.0 – tehdään jokaiselle mahdollisuus" report through wide-ranging national cooperation.

### Meriheimo project

The implementation of the STEA-funded Meriheimo project (2018–2020) aimed at preventing the marginalisation of young people in the Helsinki metropolitan area in cooperation with Sail Training Association Finland (STAF) was changed due to COVID-19. The planned Sail Training activities organised by STAF were cancelled. Other online activities and adventure pedagogical activities were planned as replacements for the sailing activities. The project produced a description of the operating model and a counsellors' guide for anyone wishing to incorporate the Sail Training method into their work. The materials are available on the Y-Foundation's website and a description of the activity, along with the materials, is also available via the Innokylä innovation village of the Finnish Federation for Social Affairs and Health.



## NEA project on women's homelessness

The NEA project focused on women's homelessness (2018–2020) continued during the year with support from STEA. The activities were coordinated by the Foundation and included sub-projects by partners. The aim is to create new housing paths and develop working methods focused on women to help women who are homeless or at risk of homelessness.

The main focus of the NEA project during its last actual year of operations was on documenting the operating models, compiling material and making women-focused methods established practices through training activities and webinars. A collection of articles on homelessness-related work focused on women (Kohti kotia ja turvaa – nais erityisyys asunnottomuustyössä) was published during the year.

NEA is involved in the Erasmus+ Women in Homelessness project, which develops practices through broad European cooperation. This international project is coordinated in Finland by the Y-Foundation and the NGO No Fixed Abode.

The NEA project will continue, in part, until spring 2021.

## One of Us project

The One of Us project (2020–2022) began in 2020. The project is aimed at reducing loneliness and inequality in Lahti and East Helsinki. In East Helsinki, the project is particularly focused on men. The One of Us project has several partners that offer people various activities and opportunities for engagement. Due to the COVID-19 pandemic, the original plans concerning the project's launch and implementation had to be adjusted.

Local partnership networks were established in East Helsinki and Lahti under the project. In addition, individual counselling for Y-Kodit tenants was developed along with new participatory activities, such as Kaverikävelyt friend walks implemented in cooperation with the Pro Lapinlahti mental health association, Äijäolkkari men's living room activities developed in partnership with the Lahti Parish Union and Lahden Sininauha and empowerment-oriented photography workshops organised in cooperation with the Kontula D unit of the Deaconess Institute and the Raittila support foundation for ex-offenders.

## Cooperation

The Y-Foundation and its founding cities Helsinki, Espoo, Tampere, Turku and Vantaa want to boost the effort to halve homelessness. A specialist was recruited to work on the project, based at the Y-Foundation, with the primary task of promoting cooperation with the national government. The specialist's duties have also included supporting the cities with their own plans to reduce homelessness. Cooperation was also planned to support the development of a SIB (Social Impact Bond) pilot model. This effort will continue in 2021.

A series of workshops was under development in partnership with the City of Tampere and Tampere University to create a video library on the theme of homelessness. Several theses were also written about the Foundation's activities.

The Foundation has representatives in the management group of the Cooperation Programme to Halve Homelessness (2020–2023), launched at the beginning of the year and coordinated by the Ministry of the

## The Y-Foundation is a member of the following networks and associations:

- Arvolitto Arvo ry
- FEANTSA
- FIBS ry
- Helsinki Region Chamber of Commerce
- Finnish Real Estate Management Federation
- Real Estate Employers
- Association for Advocating Affordable Rental Housing (Kova) ry
- Finnish Foundation for Supporting Ex-offenders (founding member)
- Rakli
- Finnish Federation for Social Affairs and Health
- Valo-Valmennusyhdistys



We develop practices for preventing homelessness and reducing inequality through extensive network cooperation.

Environment, as well as in the preparatory working group for making housing counselling a statutory obligation and the background group for the Finnish Federation for Social Affairs and Health's representative on the committee drafting the reform of social security. The Foundation's representatives have also served as members in various project steering groups related to the homelessness programme.

A photograph of a person's hands pointing at a document on a table. The person is wearing a blue shirt, a black belt, and a watch. A white circle is overlaid on the image, containing the word "Personnel" in blue text. The background is a blurred office setting with windows and a desk.

# Personnel

# Personnel

The Y-Foundation Group had 168 (159) employees at the end of the review period. Of this total, 21 (16) were fixed-term employees. Fixed-term employment relationships were related to project activities and substitute positions. One (9) employee worked part-time.

The number of employees grew moderately and the increase in personnel reflected the expansion of operations. M2-Kodit accounted for the majority of the increase in personnel. M2-Kodit has 119 (115) employees, including seasonal workers. A total of 35 (30) employees work at the regional offices. The majority of the personnel work at the Pitkäsillanranta office in Hakaniemi, Helsinki. Women accounted for 70 (72) per cent and men for 30 (28) per cent of employees.

M2-Kodit finished as the runner-up in the Responsible Summer Job campaign in the category of small and medium-sized organisations. The Responsible Summer Job campaign gives out awards to the best summer employers each year. The rankings are based on each organisation's summer workers' assessments of their summer employer, collected by means of a survey conducted during the summer.

The Y-Foundation Group supports the well-being of its personnel by providing comprehensive occupational health services as well as commuting, sports and lunch benefits. The Group's remote work practices were revised following the outbreak of the COVID-19 pandemic. The positive experiences gained from this will be put to good use after

the pandemic. Remote solutions were introduced to help employees cope with their work and improve cohesion and team spirit among teams and the entire workplace community.

There was a small number of COVID-19 exposures during the year but, on the whole, the health of the Y-Foundation Group's personnel was better than in the previous years. The number of sickness-related absences decreased, but occupational health care expenses increased slightly.

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.

Personnel indicators	2020		2019		2018	
	Group	Parent	Group	Parent	Group	Parent
Performance-based pay with fringe benefits	9 457	2 807	7 494	2 164	6 872	2 030
Monetary value of fringe benefit	-171	-90	-164	-85	-140	-73
Pension expenses	1 321	433	1 376	423	1 331	421
Statutory social security expenses	256	58	142	42	137	43
Total	10 863	3 208	8 847	2 545	8 201	2 421
Personnel on average	170	40	162	37	148	35
Average age	45,0	46,7	45,7	47,0	45,4	46,2



A close-up photograph of two hands assembling black plastic blocks, likely LEGO bricks, on a light-colored surface. The hands are positioned on the left and right sides of the frame. In the center, a white circle contains the word "Finance" in a blue, sans-serif font. The background is a blurred, dark grey surface.

Finance

## 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 the coming years.

Y-Foundation Group's finances grew according to plan during the financial year 2020. Revenue amounted to EUR 135.7 (133.2) million and the result before taxes was EUR 19.0 (13.6) million. Compared to the previous year, the result before taxes improved by EUR 5.4 million. The consolidated balance sheet total increased due to strong property development and came to EUR 1.284 (1.240) million.

The Foundation uses Housing Finance and Development Centre of Finland (ARA) interest subsidy loans and grants for funding new construction and renovation investments. At the Group level, gross investments amounted to EUR 73.2 (59.4) million. Expenditure on repairs amounted to EUR 38.0 (30.7) million

during the review period. Repair investments were increased by the large number of Koti kuntoon projects to modernise existing apartments.

Interest-bearing liabilities at the end of December amounted to EUR 856.1 (840.3) million, of which loans on market terms represented EUR 207.9 (206.9) million and Arava and interest subsidy loans represented EUR 648.2 (633.4) million. At the end of the year under review, the average interest rate of the loan portfolio was 1.4 (1.5) per cent. Net financial expenses totalled EUR -12.8 (-13.3) million. The average maturity of the loan portfolio was 21.4 (21.6) years.

The Foundation continued to receive grants from the Funding Centre for Social Welfare and Health Organisations (STEA). The grants are intended for acquiring individual support apartments and they account for 50 per cent of the cost. The Foundation received approximately EUR 3.2 (5.6) million in STEA grants to fund its investments. The Foundation also received approximately EUR 1.2 (1.4) million in STEA grants to fund development projects.

New loans amounting to EUR 46.1 (29.5) million were withdrawn during the financial year, while loans were amortised in the amount of EUR 30.3 (40.6) million.

The uncertainty caused by the COVID-19 pandemic during the year under review was reflected in a lower financial occupancy rate for the Foundation. At the end of the year, the occupancy rate was 96.9 per cent. The lower occupancy rate was attributable to the general uncertainty caused by the COVID-19 pandemic as well as the increased supply of rental apartments in the market.

### Key figures

	2020	2019	2018
Revenue	135.7M€	133.2M€	129.4M€
Rent margin	28.9%	25.3%	29.6%
Administrative expenses, net	5.8%	5.8%	5.4%
Cash and cash equivalents	58.6M€	70.2M€	99.7M€
Equity ratio			
at book values	30.7%	30.2%	29.0%
at fair values	42.8%	41.8%	40.5%

## 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, 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 Foundations 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.



# Values and responsibility

The Y-Foundation's operations are rooted in social responsibility. Being structured as a foundation ensures that income from operations is used to implement the basic mission of eradicating homelessness and producing affordable housing. The Foundation's by-laws require it to operate responsibly and in full compliance with the applicable rules and regulations. The Foundation's assets are also allocated to a significant degree to research and development in its field. Our task is to maintain the non-profit nature of our operations from the perspective of taxation as well as the organisations that grant funding for our operations. We will issue our first separate sustainability report for 2020.

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.

The goal of our work is to provide good housing to the tenant. Good housing starts with the fair selection of tenants using transparent and equal selection criteria. Providing good housing includes designing and developing the apartments in a tenant-oriented manner, looking after the condition and comfort of the apartments professionally and providing the tenants with housing-based opportunities for engagement. When the lessor terminates the lease, it is done on lawful and ethically sustainable grounds, taking the tenant's life circumstances into account.

Our values are courage, trust and housing with dignity. We have the courage to be on your side even when others are not. We

lead the way, make decisions and put our plans into action with an open mind. We do what we promise. Our tenants can trust in the affordability, continuity and safety of their housing. Dignity is the foundation of our work. We treat our tenants equally. We provide affordable rental apartments. Everything we do starts from the Housing First principle.

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

The Y-Foundation Group's risk management safeguards the effective performance of our basic mission in the event of significant and unfavourable changes in our own operations or our operating environment.

Our most significant risks include changes in the financial markets, regional decreases in occupancy rates, information security and personal data processing risks as well as reputation risks.

The key factors related to our financing include loans from financial institutions, a bond, interest subsidies from ARA and grants from ARA and the Funding Centre for Social Welfare and Health Organisations. In managing our overall financial picture, we actively monitor the development of interest rates and we have prepared for potential unfavourable changes through interest rate hedging. We aim to ensure the continuity of subsidies and grants from ARA and the Funding Centre for Social Welfare and Health Organisations through transparent compliance with regulations and the steering activities of the public authorities and by maintaining active communication. In particular, we aim to ensure that our equity ratio develops favourably.

The risk associated with occupancy rates is the most significant – in terms of both impact and probability – in regions with negative net migration. Due to the Foundation's historical development and social mission, the Group also has apartments in small municipalities. We lower the risk associated with occupancy rates by maintaining affordable rents and participating in regional subletting cooperation networks. Our new construction projects are focused on growth centres, where the

demand for affordable rental apartments is also the highest.

We use continuous development to prevent information security and personal data processing risks. The key methods include maintaining and auditing the technical security of information systems, targeted personnel training and risk reporting practices. We have prepared for risks by creating contingency plans and procedures for problem situations.

The Group's reputation risk is related to occasional prejudices and infrequent negative experiences associated with the provision of homes for the homeless. This can, in certain situations, slow down the process of obtaining building permits, complicate the start of construction and lead to higher costs. We manage this risk through open neutral communication that underscores the benefits to society from eradicating homelessness. We use versatile housing counselling services to prevent isolated problems related to housing.

In addition to the aforementioned risks, we recognise risks related to the limited availability of plots allocated to the production of affordable housing, the cyclicity of the construction industry and the impacts of the COVID-19 pandemic on property development and rental operations. We have taken steps to prepare for property damage and liability damage by taking out insurance policies through competitive tendering via an insurance broker.

## Future outlook

At the time of writing this report on our operations in 2020, the future outlook is still overshadowed by the continued COVID-19 pandemic and the restrictions in place in society. The situation also challenges the Y-Foundation to do what it can to prevent COVID-19 infections among our tenants and employees. As a lessor, we continue to take a flexible approach to payment plans concerning rent arrears caused by the pandemic and we aim to use financial and housing counselling to prevent evictions due to rent arrears. Our goal is the favourable development of occupancy rates and receivables, although the situation is complicated by the unpredictable development of the pandemic before the necessary vaccination coverage is achieved.

The halving and eradication of homelessness referred to in the Programme of Prime Minister Sanna Marin's Government can only be accomplished through wide-ranging cooperation between various parties in society. The Foundation's founding members include the five largest cities in Finland, and we will continue to take concrete action with these cities to ensure the continuation of affordable housing production. The eradication of long-term homelessness through the acquisition of shares in housing companies, in particular, calls for continued investment grants from the Funding Centre for Social Welfare and Health Organisations. However, the COVID-19 pandemic has also reduced the income of the Finnish state-owned betting and gambling company Veikkaus, which affects the funds available to the Funding Centre for Social Welfare and Health Organisations.

The regional focus of the Foundation's new construction activities remains on the Helsinki metropolitan area and the Tampere and Turku economic areas, where there is continued demand for affordable rental apartments. In other growth centres, we can start construction projects in locations with good transport connections and close to local services. In these areas, we aim to carry out targeted tenant selection hybrid projects through joint planning with municipalities.

The new year and decade will be characterised by the implementation of Y-Foundation's ambitious strategy through yearly spearhead projects. We will continue our sustainable efforts to mitigate climate change, as we believe local action has global significance. The energy consumption associated with construction and property maintenance is an increasingly important guiding principle in our planning and design activities.

**The spearhead objectives of our ambitious strategy will guide our operations for years to come. We will continue to lead the way in eradicating homelessness as well as promote the well-being and sustainable lifestyle of our tenants.**



# 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. Until the Annual Meeting of 29 April 2020, the members of the Board of Trustees were:

1. **Harjuniemi Matti**,  
Finnish Construction Trade Union, chair
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 Aleks**,  
The Confederation of Finnish Construction Industries RT
7. **Salminen Jukka T**,  
City of Vantaa

## The Board of Trustees from 29 April 2020 onwards:

1. **Harjuniemi Matti**,  
Finnish Construction Trade Union,  
chair
2. **Viljanen Maria**,  
Finnish Red Cross,  
Head of the Health and Care Unit,  
vice chair
3. **Ahlström Mari**,  
City of Espoo,  
Director of Family and Social Services
4. **Forss Teppo**,  
City of Turku,  
CEO of TVT Asunnot Oy
5. **Mäki Tiina**,  
City of Helsinki,  
Administrative Director,  
Social and Health Care Services
6. **Randell Aleks**,  
The Confederation of Finnish Construction Industries RT,  
Director General
7. **Tähtinen Tapio**,  
MIELI Mental Health Finland,  
Administrative Director

## 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**, Head of Communications and Marketing
7. **Tammisalo 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 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.

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	-	471,590	634,834	-	-
B. Contracts	see 1B below	-	-	-	-
C. Assistance granted	-	-	-	-	-
D. Loans, liabilities and contingent liabilities given	119,149,789	-	-	-	-

### Explanations

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

- 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.
- 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.
- 2A. Salaries and fees paid to members of the Y-Foundation's Board of Trustees, the CEO and his deputy and auditors.
- 3A. Salaries of the Y-Foundation's Management Team.

### Key figures



# Financial statements



# Contents

Income statement	23
Balance sheet	24
Cash flow statement	26
Notes to the financial statements	27

## INCOME STATEMENT

1000 €	1 Jan-31 Dec 2020 Group	1 Jan-31 Dec 2019 Group	1 Jan-31 Dec 2020 Parent	1 Jan-31 Dec 2019 Parent
<b>Actual operations</b>				
Lease operations				
Rent and maintenance charge income	133,924	132,627	39,333	37,717
Charges for consumption income	565	547	63	51
Other income	50	30		
Capital gains	1,133			
<b>Total income from lease operations</b>	<b>135,671</b>	<b>133,203</b>	<b>39,396</b>	<b>37,768</b>
Income from property management services	70	66		
<b>Property maintenance expenses</b>				
Personnel expenses	-6,669	-6,331		
Depreciation, amortisation and impairment	-18,553	-22,212		
Rent and maintenance charge expenses	-21,624	-21,404	-22,368	-21,660
Other maintenance expenses	-48,261	-48,748	-3,106	-2,642
Total expenses of lease operations	-95,107	-98,695	-25,474	-24,302
Construction expenses	-1,459	-821	-100	-186
<b>Lease operations, total</b>	<b>39,175</b>	<b>33,753</b>	<b>13,822</b>	<b>13,279</b>
<b>Central administration and other operations</b>				
Income	1,660	1,949	1,407	1,547
Expenses				
Personnel expenses	-2,886	-2,590	-2,886	-2,590
Depreciation and amortisation	-368	-308	-368	-308
Other expenses	-6,342	-6,714	-2,551	-2,864
Central administration and other operations total	-7,936	-7,663	-4,397	-4,215
Share of profit from associated companies	578	763		
<b>Operating surplus</b>	<b>31,817</b>	<b>26,852</b>	<b>9,424</b>	<b>9,064</b>

1000 €	1 Jan-31 Dec 2020 Group	1 Jan-31 Dec 2019 Group	1 Jan-31 Dec 2020 Parent	1 Jan-31 Dec 2019 Parent
<b>Investment and financing activities</b>				
Income				
Interest and dividend income	116	194	4,158	3,617
Other income	321	406	169	267
Total income	437	600	4,327	3,883
Impairment of investments in non-current assets	-29	-6	-29	-6
Expenses				
Interest expenses	-12,175	-12,724	-4,303	-4,538
Other expenses	-1,080	-1,139	-3,452	-3,200
Total expenses	-13,255	-13,863	-7,755	-7,738
Investment and financing activities	-12,847	-13,269	-3,457	-3,860
<b>Surplus</b>	<b>18,971</b>	<b>13,583</b>	<b>5,967</b>	<b>5,204</b>
<b>General grants</b>				
General grants				
Investment grants STEA	3,156	5,590	3,156	5,590
Other investment grants	109	305	109	305
Other STEA grants	1,208	1,363	1,208	1,363
Transfers				
Transfer to cover expenses	-1,208	-1,363	-1,208	-1,363
Transfer to apartment acquisition reserve	-3,156	-5,786	-3,156	-5,786
Transfer to general-purpose reserve	-109	-109	-109	-109
<b>General grants total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Direct taxes</b>				
Income taxes	-12	-10		
Deferred taxes	-2,782	-1,830		
Minority interest	-19	-18		
<b>Surplus/deficit for the financial year</b>	<b>16,157</b>	<b>11,725</b>	<b>5,967</b>	<b>5,204</b>

## BALANCE SHEET

1 000 €	31 Dec 2020 Group	31 Dec 2019 Group	31 Dec 2020 Parent	31 Dec 2019 Parent
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets				
Intangible rights	2,245	2,597		
Goodwill	75	151		
Other capitalised long-term expenditure	3,174	2,353	2,274	2,187
<b>Intangible assets total</b>	<b>5,494</b>	<b>5,101</b>	<b>2,274</b>	<b>2,187</b>
Tangible assets				
Land and waters	77,113	71,708		
Connection fees	9,943	9,769		
Property leases	147	147		
Buildings and structures	716,888	700,318		
Machinery and equipment	1,138	1,327	2	3
Other tangible assets	1,882	766	170	5
Advance payments and construction in progress	46,969	21,765		
<b>Tangible assets total</b>	<b>854,081</b>	<b>805,800</b>	<b>172</b>	<b>8</b>
Investments				
Shares in housing companies	351,895	347,699	351,895	347,699
Subsidiaries			14,736	14,557
Shares in associated companies	5,648	5,070	3,579	3,579
Other shares	3,958	3,175	3	3
<b>Investments total</b>	<b>361,502</b>	<b>355,944</b>	<b>370,213</b>	<b>365,838</b>
<b>Non-current assets</b>	<b>1,221,076</b>	<b>1,166,845</b>	<b>372,658</b>	<b>368,032</b>

1 000 €	31 Dec 2020 Group	31 Dec 2019 Group	31 Dec 2020 Parent	31 Dec 2019 Parent
<b>Current assets</b>				
Receivables				
Long-term receivables				
Loan receivables	5	5	5	5
Receivables from group companies			112,332	93,385
Receivables from associated companies	20	20		
Other receivables	232	56	201	29
<b>Long-term receivables total</b>	<b>257</b>	<b>81</b>	<b>112,538</b>	<b>93,419</b>
Short-term receivables				
Rent receivables	1,510	1,605	142	159
Prepayments and accrued income	1,379	758	879	541
Receivables from group companies			7,005	5,491
Other receivables	946	922	75	26
<b>Short-term receivables total</b>	<b>3,835</b>	<b>3,286</b>	<b>8,102</b>	<b>6,216</b>
Shares and holdings	6,953	4,882	7,192	5,122
Cash in hand and with banks	51,599	65,358	26,730	43,109
<b>Current assets</b>	<b>62,644</b>	<b>73,607</b>	<b>154,562</b>	<b>147,865</b>
<b>Assets</b>	<b>1,283,720</b>	<b>1,240,452</b>	<b>527,221</b>	<b>515,897</b>



## BALANCE SHEET

1 000 €	31 Dec 2020 Group	31 Dec 2019 Group	31 Dec 2020 Parent	31 Dec 2019 Parent
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Initial capital	20	20	20	20
Apartment acquisition reserve	187,835	185,520	187,835	185,520
Other reserves	10,200	10,200	10,120	10,120
General-purpose reserve	35,547	34,600	35,547	34,600
Redemption reserve	73,118	67,914	73,112	67,908
Investment reserve	30,932	30,932	30,932	30,932
Surplus/deficit from previous financial years	37,398	30,877	257	257
Surplus/deficit for the financial year	16,157	11,725	5,967	5,204
<b>Capital and reserves total</b>	<b>391,207</b>	<b>371,788</b>	<b>343,790</b>	<b>334,561</b>
Minority interest	2,123	2,179		
<b>Liabilities</b>				
Long-term liabilities				
Subordinated loans	147			
Loans from financial institutions	824,201	800,425	170,627	160,809
Advances received	1,644	1,644	344	355
Other liabilities	769	769		
Accrued expenses and deferred income	167	206	167	206
Deferred tax liabilities	14,158	11,348		
<b>Long-term liabilities total</b>	<b>841,085</b>	<b>814,392</b>	<b>171,138</b>	<b>161,370</b>

1 000 €	31 Dec 2020 Group	31 Dec 2019 Group	31 Dec 2020 Parent	31 Dec 2019 Parent
Short-term liabilities				
Loans from financial institutions	31,037	39,143	9,491	17,447
Advances received	2,243	1,879	491	200
Accounts payable	10,094	5,679	339	304
Other liabilities to group companies			53	123
Other liabilities	187	154	74	60
Accrued expenses and deferred income	5,745	5,238	1,844	1,832
<b>Short-term liabilities total</b>	<b>49,306</b>	<b>52,093</b>	<b>12,293</b>	<b>19,966</b>
<b>Liabilities total</b>	<b>890,391</b>	<b>866,485</b>	<b>183,431</b>	<b>181,337</b>
<b>Equity and liabilities</b>	<b>1,283,720</b>	<b>1,240,452</b>	<b>527,221</b>	<b>515,897</b>

## CASH FLOW STATEMENT

1000 €	2020 Group	2019 Group	2020 Parent	2019 Parent
<b>Cash flow from operating activities</b>				
Profit/loss for the financial year	16,157	11,725	5,967	5,204
Adjustments:				
Depreciation, amortisation and impairment	18,921	22,520	368	308
Capital gains/losses on non-current assets	-624	315	508	315
Share of profit from associated companies	-578	-763		
Financial income and expenses	12,339	12,954	2,949	3,545
Income taxes	2,794	1,840		
Minority interest	19	18		
<b>Cash flow before change in working capital</b>	<b>49,028</b>	<b>48,610</b>	<b>9,792</b>	<b>9,372</b>
Change in working capital				
Changes in receivables	-675	3,320	-478	1,385
Changes in liabilities	5,951	-2,791	352	71
Cash flow before financial items and taxes	54,304	49,138	9,667	10,828
Interest paid	-12,378	-12,879	-4,427	-4,568
Dividends received	3	3	3	3
Interest received	114	195	4,169	3,626
Other financial items	-250	-418	-2,775	-2,619
Taxes paid	145	86		-33
<b>Net cash flow from operating activities</b>	<b>41,938</b>	<b>36,126</b>	<b>6,638</b>	<b>7,237</b>

1000 €	2020 Group	2019 Group	2020 Parent	2019 Parent
<b>Cash flow from investing activities</b>				
Investments in non-current assets	-67,166	-46,407	-619	-775
Proceeds from sale of non-current assets	1,140			
Shares in housing and real estate companies	-6,048	-10,926	-6,048	-10,926
Sale of shares in housing companies	1,315	1,042	1,315	1,042
Shares in subsidiaries bought	-1,933	-4,102	-179	-76
Other investments	-15			
STEAs investment grants	3,156	5,590	3,156	5,590
Other investment grants	109	305	109	305
Loans to own real estate companies			-41,975	-27,309
Instalments of own companies			21,433	12,703
<b>Net cash flow from investing activities</b>	<b>-69,443</b>	<b>-54,497</b>	<b>-22,809</b>	<b>-19,444</b>
<b>Cash flow from financial activities</b>				
Shares and holdings	-2,071	-2,916	-2,071	-2,916
Minority venture capital		7		
Increase in long-term loans	46,119	29,525	10,000	
Repayment of long-term loans	-30,303	-40,641	-8,138	-14,031
<b>Net cash flow from financial activities</b>	<b>13,746</b>	<b>-14,024</b>	<b>-208</b>	<b>-16,946</b>
Change in cash and cash equivalents	-13,759	-32,396	-16,379	-29,153
Cash and cash equivalents at the beginning of the period	65,358	97,754	43,109	72,262
Cash and cash equivalents at the end of the period	51,599	65,358	26,730	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.

The Group's associated companies include parking companies. During the financial year, the construction of one new parking

company was started. The costs resulting from the construction have been recognised in the parent company's construction in progress on the balance sheet. Once the property is completed, these construction-time costs will be recognised as associated company procurements.

### 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/deficient 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 taxational 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. The planned depreciation of buildings not recognised by the separate companies has been recognised in the consolidated financial statements. Depreciation, amortisation and impairment are considerably lower than in the reference year due to impairment and write-offs made in the reference year. Revaluation was performed on one land and water area during the financial year and released on the consolidated balance sheet. Land and waters include three land areas, with a total acquisition value of approximately EUR 1.4 million, which were sold in January 2021.

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

Asset	Years/per cent	Depreciation method
Intangible assets	4–10 years	Straight-line depreciation
Buildings	67 years	Straight-line depreciation
Civil defence shelters	4 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

### 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 impaired by the coronavirus pandemic, which started last year, and the extensive societal effects resulting from the prevention of its spread. 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.

## Notes to the income statement

1 000 €	Group 2020	Group 2019	Parent 2020	Parent 2019
Income from lease operations	134,539	133,203	39,396	37,768
Income from property management services	70	66		
<b>Notes concerning the personnel and members of the administrative organs</b>				
Personnel expenses				
Performance-based pay with fringe benefits	9,457	7,494	2,807	2,164
Monetary value of fringe benefit	-171	-164	-90	-85
Pension expenses	1,321	1,376	433	423
Statutory social security expenses	256	142	58	42
<b>Total</b>	<b>10,863</b>	<b>8,847</b>	<b>3,208</b>	<b>2,545</b>
Average number of personnel	170	162	40	37
Fees paid to auditors				
Statutory audit	115	88	58	49
Other statutory assignments	11	6	8	4
Tax counselling	5	5	5	1
Other services	15	7	6	
<b>Total</b>	<b>146</b>	<b>106</b>	<b>77</b>	<b>54</b>
Fees paid to members of the Board of Trustees and Delegation	77	40	71	34

1 000 €	Group 2020	Group 2019	Parent 2020	Parent 2019
<b>Depreciation, amortisation and impairment</b>				
Depreciation, amortisation and impairment for the financial year	18,921	22,520	368	308
The group has recognised planned depreciation concerning buildings not recorded by the separate companies	1,496	2,108		
The lease periods for the plots are 0–60 years; leases	3,069	2,996		
Financial income				
Interest and dividend income from others	116	194	80	108
Interest income from group companies			4,078	3,509
Other financial income	321	406	169	267
Financial income total	437	600	4,327	3,883
Impairment of investments in non-current assets	-29	-6	-29	-6
Financial expenses				
Interest expenses to others	-12,175	-12,724	-4,303	-4,538
Other financial expenses	-1,080	-1,139	-3,452	-3,200
Financial expenses total	-13,255	-13,863	-7,755	-7,738
<b>Financial income and expenses total</b>	<b>-12,847</b>	<b>-13,269</b>	<b>-3,457</b>	<b>-3,861</b>
Direct taxes				
Income taxes on ordinary activities	-12	-10		
Change in deferred taxes	-2,782	-1,830		

## Notes concerning the assets on the balance sheet

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:

1 000 €	Group 2020	Group 2019	Parent 2020	Parent 2019
Capitalised during the financial year	60	50		
Capitalised during previous financial years	790	740		
Depreciated	-59	-47		
Undepreciated item 31 December	791	743		
Intangible rights				
Balance 1 January	3,493	3,493		
Balance 31 December	3,493	3,493		
Depreciation for the financial year	-352	-352		
Accumulated depreciation and amortisation 1 January	-896	-544		
Accumulated 31 December	-1,247	-896		
Net expenditure 31 December	2,245	2,597		
Goodwill				
Balance 1 January	377	377		
Balance 31 December	377	377		
Depreciation for the financial year	-75	-75		
Accumulated depreciation and amortisation 1 January	-226	-151		
Accumulated 31 December	-301	-226		
Net expenditure 31 December	75	151		
Other capitalised long-term expenditure				
Balance 1 January	3,414	2,436	3,206	2,435
Increase	1,336	978	435	771
Balance 31 December	4,750	3,414	3,641	3,206
Depreciation for the financial year	-516	-330	-348	-288
Accumulated depreciation and amortisation 1 January	-1,061	-731	-1,020	-731
Accumulated 31 December	-1,577	-1,061	-1,368	-1,020
Net expenditure 31 December	3,174	2,353	2,274	2,187
<b>Intangible assets total</b>	<b>5,494</b>	<b>5,101</b>	<b>2,274</b>	<b>2,187</b>

1 000 €	Group 2020	Group 2019	Parent 2020	Parent 2019
Land and waters				
Balance 1 January	71,708	64,833		
New sites	3,245	3,870		
Increase	2,673	2,871		
Properties sold	-512			
Transfers between items		134		
Balance 31 December	77,113	71,708		
Connection fees				
Balance 1 January	9,769	9,489		
Increase	174	2,345		
Transfers between items		-2,066		
Balance 31 December	9,943	9,769		
Property leases				
Balance 1 January	147	147		
Balance 31 December	147	147		
Buildings and structures				
Balance 1 January	765,588	722,516		
Grants	-574	-200		
New sites		508		
Increase	34,965	42,850		
Transfers between items	-768	-86		
Balance 31 December	799,210	765,588		
Depreciation for the financial year	-17,052	-16,440		
Accumulated depreciation and amortisation 1 January	-65,269	-44,349		
Accumulated transfers between items		-48		
Impairments		-4,433		
Accumulated 31 December	-82,322	-65,269		
Net expenditure 31 December	716,888	700,318		

1000 €	Group 2020	Group 2019	Parent 2020	Parent 2019
<b>Machinery and equipment</b>				
Balance 1 January	2,847	2,414	259	255
Increase	187	433		4
Balance 31 December	3,034	2,847	259	259
Depreciation for the financial year	-376	-461	-1	-20
Accumulated depreciation and amortisation 1 January	-1,520	-1,058	-256	-236
Impairments		-1		
Accumulated 31 December	-1,896	-1,520	-257	-256
Net expenditure 31 December	1,138	1,327	2	3
<b>Other tangible assets</b>				
Balance 1 January	2,092	1,859	5	5
Increase	1,666	233	184	
Balance 31 December	3,758	2,092	188	5
Depreciation for the financial year	-550	-430	-18	
Accumulated depreciation and amortisation 1 January	-1,326	-896		
Accumulated 31 December	-1,876	-1,326	-18	
Net expenditure 31 December	1,882	766	170	5
<b>Advance payments and construction in progress</b>				
Balance 1 January	21,765	26,531		
Grants	-1,455	-1,859		
Increase	26,667			
Decrease	-7	-2,908		
Balance 31 December	46,969	21,765		
<b>Tangible assets total</b>	<b>854,081</b>	<b>805,800</b>	<b>172</b>	<b>8</b>

1000 €	Group 2020	Group 2019	Parent 2020	Parent 2019
<b>Shares in housing companies</b>				
Balance 1 January	347,699	338,136	347,699	338,136
Increase	6,272	11,017	6,272	11,017
Properties sold	-1,823	-1,357	-1,823	-1,357
Decrease	-253	-97	-253	-97
Balance 31 December	351,895	347,699	351,895	347,699
<b>Shares in subsidiaries</b>				
Balance 1 January			14,557	14,481
Increase			179	76
Balance 31 December			14,736	14,557
<b>Shares in associated companies</b>				
Balance 1 January	5,070	4,392	3,579	3,579
Decrease		-85		
Share of profit from associated companies	578	763		
Balance 31 December	5,648	5,070	3,579	3,579
<b>Other shares and participations</b>				
Balance 1 January	3,175	1,110	3	3
Increase	15			
Transfers between items	768	2,066		
Balance 31 December	3,958	3,175	3	3
<b>Investments</b>	<b>361,502</b>	<b>355,944</b>	<b>370,213</b>	<b>365,838</b>

## Shares and participations held by the Y-Foundation

Shares in group companies	Domicile	Group's holding, %	Parent company's holding, %
<b>Subsidiaries</b>			
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	83.57	83.57
Kiinteistö Oy Martinuskodit	Tampere	100.00	100.00
Kiinteistö Oy Uudenkaupungin Lukkosepänkatu 1	Helsinki	51.00	51.00
Asunto Oy Helsingin Pietiläntie 13	Helsinki	100.00	100.00
Y-Säätiön Uuras Oy	Helsinki	100.00	100.00
<b>Associated companies</b>			
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

Shares in group companies	Domicile	Group's holding, %	Parent company's holding, %
<b>Subgroup, the Y-Foundation's holding 100%</b>			
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-Vuokratodit	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
Asunto Oy Kouvolan Viirikaari	Kouvola	100.00	100.00
KOY Tuusulan Kauppaholvi	Tuusula	100.00	100.00
Asunto Oy Jyväskylän Kangasrinteen Karpalo	Jyväskylä	100.00	100.00
<b>Associated companies</b>			
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
Kiinteistö Oy Espoon Pegasos Pysäköinti	Espoo	24.08	24.08



## Notes concerning the equity and liabilities on the balance sheet

1 000 €	Group 2020	Group 2019	Parent 2020	Parent 2019
<b>Capital and reserves</b>				
Initial capital 1 January	20	20	20	20
Initial capital 31 December	20	20	20	20
Apartment acquisition reserve 1 January	185,520	180,443	185,520	180,443
Transfer of grants	3,156	5,786	3,156	5,786
Decrease	-840	-710	-840	-710
Apartment acquisition reserve 31 December	187,835	185,520	187,835	185,520
Construction reserve 1 January	8,603	8,603	8,524	8,524
Construction reserve 31 December	8,603	8,603	8,524	8,524
Grant reserve 1 January	1,593	1,593	1,593	1,593
Grant reserve 31 December	1,593	1,593	1,593	1,593
Homelessness and marginalisation research reserve 1 January	3	3	3	3
Homelessness and marginalisation research reserve 31 December	3	3	3	3
General-purpose reserve 1 January	34,600	33,864	34,600	33,864
Transfer from acquisition reserve	743	628	743	628
Transfers of other investment grants	204	109	204	109
General-purpose reserve 31 December	35,547	34,600	35,547	34,600
Redemption reserve 1 January	67,914	61,420	67,908	61,414
Accumulated	5,204	6,494	5,204	6,494
Redemption reserve 31 December	73,118	67,914	73,112	67,908
Investment reserve 1 January	30,932	30,932	30,932	30,932
Investment reserve 31 December	30,932	30,932	30,932	30,932
Surplus/deficit from previous financial years	37,398	30,877	257	257
Profit for the financial year	16,157	11,725	5,967	5,204
<b>Capital and reserves total</b>	<b>391,207</b>	<b>371,788</b>	<b>343,790</b>	<b>334,561</b>

1 000 €	Group 2020	Group 2019	Parent 2020	Parent 2019
Minority interest 1 January	2,179	2,154		
Change in holdings in subsidiaries	-76	7		
Profit/loss for the financial year	19	18		
Minority interest 31 December	2,123	2,179		
Deferred tax liabilities 1 January	11,348	9,428		
Changes	2,810	1,919		
Deferred tax liabilities 31 December	14,158	11,348		
<b>Financing loans</b>				
Subordinated loans	147			
State Treasury loans	172,028	188,178	16,212	18,546
Municipality Finance loans	383,561	360,422		
Financial institutions	224,648	215,968	88,907	84,710
Bonds	75,000	75,000	75,000	75,000
<b>Total</b>	<b>855,237</b>	<b>839,568</b>	<b>180,119</b>	<b>178,256</b>
Minority interest included in the Group's loans	10,248	7,987		
<b>Financing loans maturing in more than five years</b>				
State Treasury	104,796	107,016	8,263	9,576
Municipality Finance Plc	391,618	334,038		
Financial institutions	128,199	108,698	32,611	48,922
<b>Total</b>	<b>624,613</b>	<b>549,752</b>	<b>40,873</b>	<b>58,497</b>

1 000 €	Group 2020	Group 2019	Parent 2020	Parent 2019
Grants granted but not withdrawn				
STEA	3,727	223	3,727	223
Liabilities for which assets have been pledged as collateral				
Loans	855,237	839,568	180,119	178,256
Mortgages given	1,180,468	1,114,452		
Shares in limited liability housing companies	224,509	217,295	224,509	217,295
Other assets pledged, secondary pledges	14,957	14,957		
Mortgages have been pledged as collateral for property leases				
total	30,873	30,873		
Commitments				
Y-Foundation's absolute guarantees obligations	3,200	3,200	3,200	3,200
<b>Lease liabilities 1 000 €</b>	<b>In 2020</b>	<b>In 2021</b>	<b>Years 2022-2026</b>	<b>Total</b>
Lease liabilities, parent foundation	1,067	524	512	1,036
Lease liabilities, group	2,341	1,339	1,317	2,656
<b>Derivative instruments, group 1 000 €</b>	<b>2020</b>			<b>2019</b>
<b>Fair values of derivative instruments</b>	<b>positive</b>	<b>negative</b>	<b>net</b>	<b>positive</b>
			<b>negative</b>	<b>net</b>
Long-term				
Interest rate swaps, cash flow hedging		-19,758	-19,758	
Short-term				
Interest rate swaps, cash flow hedging		-148	-148	
Total		-19,906	-19,906	
<b>Nominal values of derivative instruments</b>				
Interest rate swaps, cash flow hedging			351,400	363,217

#### No hedging, the loan was repaid in 2019/Recognised through profit or loss at the negative market value

1 000 €	2020	2019
	Nominal capital	Market value/negative
Interest rate swaps, cash flow hedging	5,250	-167
	Nominal capital	Market value/negative
	5,625	-206

During the financial year, EUR 167,000 (206,000) was recognised through profit or loss for interest-rate derivatives used in hedging cash flows. Interest rate swaps are used for hedging loan portfolio interest flows against changes in market interest rates. The Y-Foundation Group creates hedging against interest rate risk also with interest rate swaps that start only in the future (so-called forward start). On the reporting date, the nominal value of such derivatives was EUR 72.2 (36.3) million. Interest rate hedging arrangements will mature in 1–11 years with an average duration of 4.4 years.

#### Financial risk management

The aim of the Y-Foundation Group's financial risk management is to protect the company against unfavourable changes in the financial markets. The main principles of the management of financing and financial risks are defined in the financing policy approved by the Y-Foundation's Board of Trustees. The Group Financing function reports to the CFO, who is responsible for organising and leading duties related to the management of financing and financial risks and for ensuring that the principles defined in the financing policy are adhered to. When it comes to interest rate risks, the key market risk to which the Y-Foundation's financing is exposed to is the impact of market interest rate changes on future interest flows. Interest rate risk is managed by balancing the ratio of loans with a fixed interest rate and loans with a variable interest rate so that the risk related to the increase of interest expenses is at an acceptable level and liquidity can be ensured. The most significant interest rate risk is related to loans on market terms but the interest rate risk related to other financial items is also monitored.

Interest subsidy loans and loans on market terms are mainly drawn with variable interest rates. The company hedges against the interest rate risk of these loans in line with its financing policy using derivative instruments, such as interest rate swaps and interest rate options, so that the share of fixed interest rate loans after hedging measures is kept at approx. 70 per cent of the entire loan portfolio. On the closing date, the share of financial interest rate debt, taking hedging into account, is 63 (70) per cent. The average maturity of the debt portfolio is 21.4 (21.6) years. In accounting, interest-rate derivatives are handled as cash flow hedging. There is no ineffectiveness associated with hedging as interest rate swaps have the same interest periods as the hedged items. Changes in market interest rates also influence the interest expenses of interest subsidy loans. However, in interest subsidy loans, interest subsidy is received for the portion that exceeds the own-risk portion of interest and, as a result, cost-related risk when interest rates rise is significantly lower.

In state-subsidised (Arava) properties, rent setting on a cost basis is used, with potential interest rate risk transferred to rents. The interest rate of state-subsidised loans is tied to the change of consumer prices in Finland. The interest rate for a financial year is defined during the preceding financial year and, as a result, there is no uncertainty regarding the coming financial year's interest expenses. Some state-subsidised loans have an interest rate cap based on the interest rate of the state's 10-year bond. The risk in state-subsidised loans is a sudden major rise in interest rates that would be difficult to transfer to rents in full without delay.

1 000 €	Group 2020	Group 2019	Parent 2020	Parent 2019
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
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
<b>Assets subject to condition of return</b>				
<b>Balance sheet value</b>				
Shares in housing companies	192,184	191,689	192,184	191,689
Shares in real estate companies	7,070	7,070	7,070	7,070
Total	199,254	198,759	199,254	198,759
of which covered by grants	115,818	116,034	115,818	116,034
Other operations supported by STEA				
Housing counsellors, Housing First Development Network, One of Us, Sea-Tribe, Women's homelessness				
STEA's grants	1,206	1,363	1,206	1,363
operating expenses	-1,214	-1,363	-1,214	-1,363
The expenses of STEA-supported activities are included in the expenses of central administration.				
Shares pledged as collateral for loans				
State Treasury	47,776	47,776	47,776	47,776
financial instruments book value	135,962	135,962	135,962	135,962
pledged at fair value	224,509	217,295	224,509	217,295



Y-Foundation  
P.o.Box 322 | Pitkäsillanranta 3A  
00531 Helsinki | [ysaatio.fi](http://ysaatio.fi) | [m2kodit.fi](http://m2kodit.fi)  
09 7742 5540