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### EVLI BANK'S INTERIM REPORT 1-9/2014: Strong growth in profit

- The Group's net commission income for the review period rose by 18 percent and was EUR 40.5 million (1-9/2013: EUR 34.4 million).
- The Group's net revenue for the review period increased by 13.4 percent and was EUR 46.4 million (EUR 40.9 million).
- The Group's operating profit was EUR 9.1 million (EUR 5.4 million).
- The Group's profit for the review period was EUR 7.2 million (EUR 4.4 million).
- Net assets under management showed good growth during the period and totaled EUR 6.3 billion (EUR 5.4 billion) at the end of September.
- Evli Bank's liquidity is good and its capital adequacy remained at a high level.
- The company has earned significant recognition for its portfolio management and asset management. Evli was selected as the second-best fixed income portfolio manager in Europe in a Morningstar comparison, and came out as the top asset manager on the basis of several measures in TNS Sifo Prospera's External Asset Management study.

### The year-end outlook has improved

Earnings for 2014 are expected to be better than in the previous year. This view is supported by the positive earnings performance in the early part of the year and the fact that recurring revenue covers a substantial portion of the company's overall costs.

KEY FIGURES	7-9/ 2014	7-9/ 2013	1-9/ 2014	1-9/ 2013	1-12/ 2013
Sales, M€	16,8	12,2	47,8	42,4	57,4
Net revenue, M€	16,2	11,6	46,4	40,9	55,5
Operating profit / loss, M€	4,2	1,5	9,1	5,4	6,7
Profit / Loss for financial year, M€	3,3	1,1	7,2	4,4	5,6
Operating profit / loss % of net revenue	26,2 %	13,1 %	19,7 %	13,3 %	12,1 %
Earnings/share (EPS)	0,7	0,3	1,5	1,0	1,2
Return on equity % (ROE) *			18,2	11,6	11,2
Recurring revenue ratio			82 %	75 %	81 %
Personnel in end of period			252	247	245

\* Annualized

#### EVLI BANK PLC

Evli is a bank that helps private persons, entrepreneurs and institutions increase their wealth. Evli provides wealth management, equity and derivatives brokerage, investment research and corporate finance services.

Evli was established in 1985, and has since then been a pioneer in the rapidly developing capital markets. The operations are based on the strong expertise of its employees and their ability, gained through experience, to seek out solutions that provide added value for their clients. Evli's objective is to build long-term client relationships based on trust.

Evli's principal market is the Baltic Sea region, and it employs around 250 people. Evli Group's equity capital is EUR 53.2 million and the BIS capital adequacy ratio stood at 13.3% on September 30, 2014.

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**Market performance**

During the third quarter, market uncertainty increased and geopolitical risks further intensified. The sanctions war between Europe and Russia is placing companies around Europe under pressure. This affects the Finnish market in the form of weakening exports, in particular. The differences between the outlooks and performance of different economic areas have increased. The USA's economic news continued to be positive and companies were able to improve their profits. In Europe, the corresponding development was very modest, and business outlooks have weakened. However, an examination of equity pricing indicates that the markets are expecting growth to begin. A significant correction downwards on the equity market has not been seen yet.

The European Central Bank, ECB, was forced to resort to exceptional measures in the third quarter, as it aimed to support the euro area economy by lowering its deposit facility interest rate to a negative level of -0.20 percent for the first time ever. The ECB also announced an asset-backed securities purchasing program and a covered bond purchasing program on the markets. Corresponding measures can be expected also in the future. On the other hand, the US Federal Reserve is expected to normalize its monetary policy, which has remained accommodative for a long time, as a result of a strengthening economic outlook. These factors have caused the euro to weaken by over 8 percent against the dollar since the end of June.

In September, long-term interest rates started to rise gradually, while the German government's yield levels in bonds with maturities of less than three years became negative. Changes in share prices remained slight.

**Revenue performance**

The Evli Group's net revenue continued to grow strongly. During the review period net revenue rose by 13 percent on the corresponding period of 2013 and was EUR 46.4 million (EUR 40.9 million). The growth in net revenue was positively influenced by increases in commission income in particular. During the review period, commission income grew by 18 percent on the corresponding level of the previous year to EUR 40.5 million (EUR 34.4 million). Good performance in fund and advisory operations in particular had a positive impact on this growth. Revenue in the comparison period was boosted by the exceptional earnings of the Group's investment operations.

The Wealth Management unit's performance was stable during the review period. The unit's net revenue rose by 6 percent from the corresponding period of 2013 and was EUR 23.6 million (EUR 22.3 million). This increase was supported by an increase in assets under management and direct fund sales in Finland and Sweden.

The Markets unit's net revenue for the review period remained at the level of the previous year and was EUR 12.5 million (EUR 12.5 million). Revenue performance was negatively affected by the derivatives trading business environment that was more challenging than it had been the previous year and a decline in client initiatives regarding exchange traded funds. Revenue was boosted especially by an increase in net income from securities trading. This net income included income from both market

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making and bond brokerage. The unit's strategic goal has been to reduce its dependence on traditional equity brokerage and to increase the proportion of other capital market products brokerage in its revenue. Traditional equity brokerage products include for example derivatives, exchange traded funds and bonds. During the review period, 42 percent of the unit's revenue was derived from the other capital market products.

The Corporate Finance unit's net revenue almost quadrupled in comparison with the corresponding period of 2013. Significant fluctuations in net revenue from one quarter to the next are typical of the Corporate Finance business.

Evli's strategic objective is to raise the proportion of revenue accounted for by recurring revenue to a level that would fully cover operating expenses. In the review period, recurring revenue covered 82 percent (75%) of the Group's overall expenses. The client margin, and the revenues from Wealth Management operations, fund operations, custody operations and incentive systems' management, are deemed to be recurring revenue.

### **Result and cost structure**

The Group's profit for the review period before taxes and profit sharing with employees nearly doubled from the previous year and was EUR 12.1 million (EUR 6.4 million). The profit for the period was EUR 7.2 million (EUR 4.4 million).

There have been no significant changes in Evli's cost structure during the year. During the review period the Group's operating costs decreased slightly from the corresponding period in 2013. The operating costs for 2014 include EUR 1.1 million in impairment to the goodwill of Russian operations. Comparable operating costs, excluding profit sharing with employees, declined by 4 percent from the comparison period. Evli's expense/income ratio improved and was 0.80 (0.87).

During the beginning of the year Evli launched a strategic project to achieve its new corporate vision, which is to be "Simply Unique". Evli's aim is to simplify both its own and its clients' investment processes and to offer clients a service that is increasingly perceived as truly unique. The results of the project are expected to be achieved gradually during 2014 and 2015.

### **Balance sheet and funding**

The Group's equity was EUR 53.2 million at the end of the review period. Evli applies the standardized approach (capital requirement for credit risk) and the basic indicator approach (capital requirement for operational risk) in its capital adequacy calculation. The Group's capital adequacy ratio of 13.3 percent clearly exceeds the regulator's requirement of 8 percent.

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Common equity tier 1 capital, M€	30.9.2014	30.9.2013
Share capital	30,2	30,2
Funds total	15,5	15,0
Minority interest	1,0	0,8
<i>Decreases:</i>		
Intangible assets	8,0	11,7
Other decreases	0,5	0,2
<b>Total common equity tier 1 capital</b>	<b>38,2</b>	<b>34,1</b>

Evi Bank has no tier 2 capital.

Minimum requirement of own funds, M€	30.9.2014	30.9.2014
	Min. requirement	Risk-weighted value
Minimum capital adequacy requirement by asset group, standard credit risk method (€ million):		
Claims from the state and central banks	0,0	0,0
Claims from regional governments and local authorities	0,0	0,0
Claims from credit institutions and investment firms	5,5	68,9
Investments in mutual funds	1,1	13,8
Claims secured with property	0,3	3,5
Claims from corporate customers	0,5	6,5
Items with high risk, as defined by the authorities	0,3	4,2
Other items	5,9	73,5
Minimum amount of own funds, market risk, € million	1,4	17,9
Minimum amount of own funds, operational risk, € million	7,9	98,8
<b>Total</b>	<b>23,0</b>	<b>287,1</b>

New capital adequacy requirements of the Basel Committee (Basel III) entered into force on January 1, 2014. Due to the capital adequacy requirements, the capital requirements related to credit risk have grown primarily with respect to the bank's Treasury unit's bond investments and the counterparty risks associated with OTC derivatives.

The Group's funding from the public and credit institutions decreased by 8 percent from the previous year. The company's loan portfolio decreased by 10 percent year on year to approximately EUR 56.8 million. The ratio of loans granted by the Group to Evi Bank Plc's deposits from the public was 17 percent. The Group's liquidity is good.

### Personnel and organization

The Group had 252 employees (247) at the end of the review period. This represented a year-on-year increase of five persons, or 2 percent.

83 percent of the personnel were employed in Finland and 17 percent abroad.

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## Business areas

### Group operations

The Group's interest margin developed favorably compared with the previous year. The returns from Evli's investment activities improved during the review period, but were lower than the exceptionally high returns of 2013.

### Wealth Management

Wealth Management in numbers	1-9/2014	1-9/2013	Change %	7-9/2014	7-9/2013	Change %
Net revenue, M€	23,6	22,3	6 %	7,9	7,1	12 %
Operating profit / loss, M€	5,9	3,5	70 %	2,4	1,7	45 %
Personnel, at the end of period	91	86	6 %			
Assets under management (Net), at the end of period, M€	6 343	5 431	17 %			
Assets under management including associated companies (Net), at the end of period, M€	7 454	6 541				
Market share (Evli Fund Company), %*	5,0	4,9				
Net subscriptions to own funds, M€*	43	271				
Average rating of Evli funds in MorningStar	3,5	3,5				

\*source: fund report by Finanssialan Keskusliitto ry

### July-September

Fund performance followed the general market performance, which was variable during the third quarter. The downward slide of the Russian equity market continued, in addition to which smaller companies, in particular, were under pressure. The index returns of Finnish and European equity markets were only slightly above zero. However, US equities strengthened by nearly 9 percent during the quarter. Fixed income fund returns, excluding higher-risk high yield bonds, were positive. The best-performing equity fund was Evli North America (annual return on September 30 was 19.3%), the best-performing balanced fund was Evli Global Multi Manager 75 (13.7%), and the best-performing fixed income fund was Evli Euro Government Bond (8.37%). Evli Alpha Bond outperformed its benchmark index by the widest margin (4.55%).

In a fund comparison carried out in September by the independent Morningstar, the average star rating of Evli's funds was 3.5 (3.5). Of Evli's 25 funds, 20 were included in the comparison. 12 funds in all received the highest or second-highest Morningstar rating.

Evli Emerging Markets Equity Fund was merged with Evli Emerging Frontier Fund in July. The reason for the merger is the poor economic and share price performance in the emerging markets in recent years, and the resulting decline in the assets managed by the fund.

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## January-September

Wealth Management operations continued to perform well during the review period. Net revenue from Wealth Management operations grew by 6 percent and was EUR 23.6 million (EUR 22.3 million). In particular, the increase in direct fund sales in Finland and in Sweden had a positive effect on revenue performance. The unit's net assets under management totaled EUR 6.3 billion (EUR 5.4 billion) at the end of September, which is 17 percent more than a year earlier.

Evli's Wealth Management operations earned significant recognition in the first half of the year. The company was the first Finnish asset management house to be a medalist in Morningstar's European awards gala, which recognizes Europe's most skilled portfolio managers. Mikael Lundström, who heads Evli's fixed income team, was selected as one of the top three European fixed income portfolio managers. Correspondingly, Evli's Wealth Management was selected as the best in Finland on the basis of several measures in the "External Asset Management Institutions 2014 Finland" study carried out by TNS Sifo Prospera. In the client survey, Evli was evaluated as the best asset manager in returns from investment activities, portfolio management competence, and scope of client contacts. Furthermore, on the basis of the survey, Evli was clearly the most popular asset manager among institutional clients, with over 60 percent of respondents saying they used Evli's services.

Of Evli's funds, Evli Short Corporate Bond (EUR 113 million) and Evli Corporate Bond (EUR 48 million) received the biggest net subscriptions by the end of September. Evli Euro Liquidity (EUR 763 million) and Evli European High Yield (EUR 673 million) had the most assets at the end of September.

Net subscriptions to funds registered in Finland totaled EUR 6.8 billion (EUR 3.9 billion) at the end of the third quarter. Net subscriptions to Evli's mutual funds totaled EUR 43 million (EUR 270.5 million). Evli Fund Management Company's market share increased by 0.1 percentage points on the previous year and was 5 percent at the end of September. The combined assets of the 25 mutual funds managed by the company were EUR 4,197 million (EUR 3,673 million) and the number of unit holders was 16,603 (17,020).

Evli Bank Plc's subsidiary EPI Russia Partners II Ltd was closed down at the end of May and its remaining assets were transferred to the owner, Evli Bank Plc.

## Markets

Markets in numbers	1-9/2014	1-9/2013	Change %	7-9/2014	7-9/2013	Change %
Net revenue, M€	12,5	12,5	0 %	3,8	3,6	5 %
Operating profit / loss, M€	2,2	1,8	25 %	0,6	0,5	29 %
Personnel, at the end of period	45	46	-2 %			
Market share (OMX Helsinki), EUR volume, %	1,3	1,2				
Market share (OMX Helsinki), number of trades, %	1,0	1,1				

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July-September

The third-quarter net revenue of the Markets unit rose by 5 percent compared with the same period in 2013 and was EUR 3.8 million (EUR 3.6 million).

Evli Bank's analysts did well in StarMine's 2014 survey of analyst performance in the Nordic region. StarMine ranks analysts based on the return on their stock recommendations and the accuracy of their earnings estimates. In a comparison of all Nordic analysts by industries, Evli Bank's analysts came in first and third place in the Diversified Industrials category. The analysts made the most accurate earnings estimate and the third-most-accurate stock recommendation. StarMine is a Thomson Reuters company that carries out annual analyst comparisons in 15 global regions.

January-September

The Markets unit's net revenue of EUR 12.5 million was at the level of that recorded in the corresponding period of 2013 (EUR 12.5 million). This was due to low market volatility in the first half-year, which decreased the commission income from derivatives and ETF brokerage compared with 2013 and thus had a negative impact on returns. The performance of derivative market making had a positive impact on net income in the review period.

The strategic target of Evli's Markets unit is to raise the proportion of other forms of brokerage rather than 'traditional' equity brokerage in its operations. In the first three quarters of 2014, 42 percent of the unit's brokerage income was accounted for by other product areas.

**Corporate Finance**

Corporate Finance in numbers	1-9/2014	1-9/2013	Change %	7-9/2014	7-9/2013	Change %
Net revenue, M€	6,4	1,7	281 %	3,0	0,5	522 %
Operating profit / loss, M€	2,4	-1,8	-	1,5	-0,5	-
Personnel, at the end of period	28	24	17 %			

July-September

The third quarter was strong for the Corporate Finance unit. The market environment for mergers and acquisitions has remained favorable through the early fall, and the company has participated in several transactions. During the review period, Evli Corporate Finance acted as an advisor to the board of directors of Nordic Mines AB regarding the company's restructuring and at a SEK 152 million share issue, as an advisor to the board of directors of Readsoft AB concerning public takeover offers for the company, as an advisor to Dedicare AB concerning the sale of the company's home care and personal assistance services, and as an advisor to the board of directors of Advenica AB concerning the company's listing on the Nasdaq First North Premier list.

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During the review period, Evli Corporate Finance confirmed several new mandates, which in addition to the existing mandate base, creates a positive outlook for the rest of the year.

January-September

The M&A market performed well during the first half of the year and has remained strong. Client initiatives in M&A activity and IPOs have increased. Favorable stock exchange performance has supported the implementation of public transactions, such as share issues.

The net income of the Corporate Finance unit almost quadrupled on the previous year and was EUR 6.4 million (EUR 1.7 million). The unit's mandate base is strong. Significant fluctuations in revenue from one quarter to the next are typical of the Corporate Finance business.

### **Changes in Group structure**

On April 28, 2014, the Boards of Evli Bank Plc and Evli Options Ltd signed a merger plan regarding the merger of Evli Options Ltd with Evli Bank Plc. Evli Bank Plc owns the entire share capital of Evli Options Ltd. The execution of the merger is expected to take place on October 31, 2014.

Evli Bank Plc's wholly owned subsidiary registered in Sweden, Evli Fonder AB, was dissolved on September 3, 2014.

Evli Bank Plc's wholly owned subsidiary EPI Russia Partners II Oy was dissolved on July 21, 2014.

### **Evli's shares and share capital**

Pursuant to the authorization to acquire own shares issued by the Annual General Meeting (AGM) on March 6, 2013, the company acquired a total of 2,000 Evli shares at the start of 2014. Pursuant to the authorization to acquire Evli shares issued by the AGM on March 10, 2014, the company acquired a total of 4,500 shares during the second quarter and 525 shares during the third quarter of 2014. The shares were acquired in accordance with shareholder agreements through changes in ownership.

The Board of Directors used the authorization granted by the AGM on March 6, 2013 to issue shares and stock options and/or for issuing special rights entitling the holder to shares pursuant to chapter 10, section 1 of the Limited Liability Companies Act, after a decision was made on February 13, 2014 to offer the company's key employees a maximum of 127,500 stock options that entitle their holders to subscribe for a total of 127,500 of the company's new shares in accordance with the terms and conditions of the stock option program. All 127,500 stock options were subscribed for during the stock options' subscription period of 1.4.2014–30.4.2014.

The Board of Directors used the authorization granted by the AGM on March 10, 2014 to issue shares and stock options and/or for issuing special rights entitling the holder to shares pursuant to chapter 10, section 1 of the Limited Liability Companies Act, after a decision was made on July 16, 2014 to offer the company's key employees a maximum



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of 56,000 new shares for subscription, of which a total of 51,500 of the company's new shares were subscribed for during the subscription period. The new shares were entered in the Trade Register on September 8, 2014.

On July 16, 2014, Evli Bank's Board of Directors resolved to annul 46,350 Evli shares held by the company. The new number of shares was entered in the Trade Register on September 8, 2014. The total number of shares at the end of the review period was 4,096,659 shares. At the end of the review period, no Evli shares were held by the company. Shareholders' equity was EUR 30,194,097.31 at the end of the review period. There were no changes in the share capital during the review period.

### **Dividend**

In accordance with the proposal of the Board, the Annual General Meeting held on March 10, 2014 resolved to distribute EUR 0.65 per share in dividends, a total of EUR 2.6 million, for the 2013 financial year. Dividends were paid on March 20, 2014.

On September 1, 2014, the Board decided to convene an Extraordinary General Meeting on October 6, 2014 to decide upon the authorization to be given to the Board to issue an additional dividend for the 2013 financial year. In accordance with the proposal, the additional dividend may be a maximum of EUR 0.40 per share.

### **Board of Directors and auditors**

Evli Bank Plc's Annual General Meeting, held on March 10, 2014, confirmed six as the number of members of the Board. Henrik Andersin, Robert Ingman, Harri-Pekka Kaukonen, Mikael Lilius, Teuvo Salminen and Thomas Thesleff were re-elected to Evli Bank Plc's Board of Directors. Henrik Andersin was chosen as Chairman of the Board. The Annual General Meeting elected KPMG Oy Ab, Authorized Public Accountants, as the company's auditor and Marcus Tötterman, APA, as the principally responsible auditor.

### **Board authorizations**

Evli Bank Plc's AGM resolved on March 10, 2014 to authorize the Board of Directors to decide on issuing shares and stock options and/or issuing special rights entitling the holder to shares pursuant to chapter 10, section 1, of the Limited Liability Companies Act in one or more lots in such a way that the total number of shares granted on the basis of the authorization would be a maximum of three hundred and six thousand, eight hundred and sixty (306,860) shares. Based on the authorization, the Board of Directors is entitled to decide on issuing shares and stock options and/or issuing special rights entitling the holder to shares pursuant to chapter 10, section 1, of the Limited Liability Companies Act in the same way as a General Meeting could decide on such matters, in every respect. The authorization remains valid until further notice, but will expire no later than eighteen (18) months after the decision of the General Meeting.

Evli Bank Plc's Annual General Meeting resolved on March 10, 2014 to authorize the Board of Directors to decide on buying back Evli shares. A maximum of 409,150

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shares may be bought back pursuant to the authorization, and they may be bought back in one or more lots, provided that after the purchase the total number of shares in the possession of, or held as pledges by, the company and its subsidiaries does not exceed ten (10) percent of the company's total shares. The Board of Directors is also authorized to buy back Evli shares other than in proportion to the shareholders' holdings, and to determine the order of buying back the shares. The authorization will expire eighteen (18) months after the decision of the Annual General Meeting.

### **Risk Management**

The objective of risk management is to support the uninterrupted implementation of the Group's strategy and income-generating activities. The Board of Evli's parent company confirms the risk management principles, the Group's risk limits and other guidelines according to which risk management and internal control are organized at Evli. The Board has also set up a credit and asset liability committee (Credalco) that briefs it on risk-taking matters. The Risk Management unit oversees daily operations and compliance with the risk limits granted to the business units.

The delta-adjusted price risk of Evli's own investment portfolio and proprietary trading was approximately EUR 6.7 million at the end of September, and a 20 percent negative market movement would have resulted in a scenario loss of approximately EUR 1.0 million. At the end of September, the Treasury unit's interest rate risk was approximately EUR +/- 0.5 million, based on the assumption that market rates rise/fall by one percentage point. Evli's liquidity has remained solid.

### **Events taking place after the review period**

Evli's Extraordinary General Meeting resolved on October 6, 2014 to authorize the Board to pay an additional dividend. The additional dividend may be a maximum of EUR 0.40 per share. The Board decided on October 9, 2014 to pay the additional dividend. The dividend was paid on October 20, 2014 and will have a weakening effect of 0.56 percent on the capital adequacy.

### **Business environment**

Despite the recent increase in uncertainty on the financial markets, Evli's business environment has remained favorable. Geopolitical tensions and the resulting reduction in activity on the Russian market have created challenges for Evli's business operations on this market. The company's position as a leading investment bank and as an expert in asset management, brokerage and advisory business has contributed to the revenue growth. Particularly on the Swedish market, performance has been strong both for fund sales and Corporate Finance operations. Positive factors include general interest in mergers, acquisitions and IPOs, and the high number of client initiatives. In the early part of the year, low market volatility has posed a challenge for the Markets unit, which has been reflected in lower interest in derivative and ETF products. Volatility has increased very recently, which has typically increased interest in derivatives that can be used for hedging, for example. Low interest rates are

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expected to continue for the time being, which will contribute negatively to bank interest margins.

During the review period the first Supreme Administrative Courts decisions regarding the legal obligation to pay VAT on discretionary asset management services that entered into force at the beginning of May 2013 were announced. Several uncertainties continue to surround the matter, which is why the effects of the taxation practice on the development of business models or on the industry's structural solutions cannot yet be evaluated.

### **Outlook**

Earnings for 2014 are expected to be better than in the previous year. This view is supported by the positive earnings performance in the early part of the year and the fact that recurring revenue covers a substantial portion of the company's overall costs.

*Helsinki, October 24, 2014*

*Board of Directors*

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**EVLI BANK PLC GROUP**

<b>CONSOLIDATED INCOME STATEMENT, M€</b>	<b>7-9/2014</b>	<b>7-9/2013</b>	<b>1-9/2014</b>	<b>1-9/2013</b>	<b>1-12/2013</b>
Net interest income	0,2	0,1	0,7	0,3	0,5
Commission income and expense, net	14,5	10,2	40,5	34,4	49,5
Net income from securities transactions and foreign exchange dealing	1,1	1,2	4,7	5,9	5,1
Other operating income	0,3	0,0	0,5	0,3	0,4
<b>Administrative expenses</b>					
Personnel expenses	-5,1	-4,9	-16,8	-17,4	-23,3
Other administrative expenses	-3,2	-2,9	-10,5	-10,6	-13,9
Depreciation, amortisation and write-down	-1,3	-1,0	-4,0	-3,3	-4,7
Other operating expenses	-1,1	-1,0	-3,0	-3,3	-4,2
Impairment losses on loans and other receivables	0,0	0,0	0,0	0,0	0,0
<b>NET OPERATING PROFIT / LOSS BEFORE PROFITSHARING</b>	<b>5,6</b>	<b>1,7</b>	<b>12,1</b>	<b>6,4</b>	<b>9,4</b>
Profitsharing	-1,4	-0,2	-3,0	-0,9	-2,7
<b>NET OPERATING PROFIT / LOSS</b>	<b>4,2</b>	<b>1,5</b>	<b>9,1</b>	<b>5,4</b>	<b>6,7</b>
Share of profits (losses) of associates	0,1	0,0	0,2	0,1	0,2
Income taxes*	-1,0	-0,4	-2,2	-1,1	-1,2
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>3,3</b>	<b>1,1</b>	<b>7,2</b>	<b>4,4</b>	<b>5,6</b>
Attributable to					
Non-controlling interest	0,4	0,1	0,8	0,4	0,6
Equity holders of parent company	2,9	1,0	6,3	4,0	5,0
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>3,3</b>	<b>1,1</b>	<b>7,2</b>	<b>4,4</b>	<b>5,6</b>
<b>INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY:</b>					
Items, that will not be reclassified to profit or loss	0,0	0,0	0,0	0,0	0,0
Income and expenses recognised directly in equity	0,0	0,0	0,0	0,0	0,0
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences - foreign operations	0,0	0,1	0,0	-0,1	-0,1
Tax on items that are or may be reclassified subsequently to profit or loss	0,0	0,0	0,0	0,0	0,0
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>0,0</b>	<b>0,1</b>	<b>0,0</b>	<b>-0,1</b>	<b>-0,1</b>
	0,0	0,1	0,0	-0,1	
<b>TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD</b>	<b>3,3</b>	<b>1,2</b>	<b>7,2</b>	<b>4,4</b>	<b>5,6</b>
Attributable to					
Non-controlling interest	0,4	0,1	0,8	0,4	0,6
Equity holders of parent company	3,0	1,1	6,3	3,9	4,9

\* Taxes are proportionate to the net profit for the period

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CONSOLIDATED INCOME STATEMENT, M€	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013
Net interest income	0,2	0,3	0,2	0,2	0,1
Commission income and expense, net	14,5	14,1	11,9	15,1	10,2
Net income from securities transactions and foreign exchange dealing	1,1	1,8	1,8	-0,8	1,2
Other operating income	0,3	0,1	0,1	0,1	0,0
<b>Administrative expenses</b>					
Personnel expenses	-5,1	-6,0	-5,7	-5,9	-4,9
Other administrative expenses	-3,2	-4,0	-3,4	-3,3	-2,9
Depreciation, amortisation and write-down	-1,3	-1,3	-1,4	-1,4	-1,0
Other operating expenses	-1,1	-1,0	-1,0	-0,9	-1,0
Impairment losses on loans and other receivables	0,0	0,0	0,0	0,0	0,0
<b>NET OPERATING PROFIT / LOSS BEFORE PROFITSHARING</b>	<b>5,6</b>	<b>4,0</b>	<b>2,5</b>	<b>3,1</b>	<b>1,7</b>
Profitsharing	-1,4	-1,6	0,0	-1,8	-0,2
<b>NET OPERATING PROFIT / LOSS</b>	<b>4,2</b>	<b>2,4</b>	<b>2,5</b>	<b>1,3</b>	<b>1,5</b>
Share of profits (losses) of associates	0,1	0,1	0,0	0,1	0,0
Income taxes*	-1,0	-0,6	-0,6	-0,1	-0,4
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>3,3</b>	<b>1,9</b>	<b>1,9</b>	<b>1,2</b>	<b>1,1</b>
<b>Attributable to</b>					
Non-controlling interest	0,4	0,3	0,1	0,2	0,1
Equity holders of parent company	2,9	1,6	1,8	1,0	1,0
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>3,3</b>	<b>1,9</b>	<b>1,9</b>	<b>1,2</b>	<b>1,1</b>
<b>INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY:</b>					
<b>Items, that will not be reclassified to profit or loss</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
<b>Income and expenses recognised directly in equity</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences - foreign operations	0,0	-0,1	0,1	0,0	0,1
Tax c Net amount transferred to profit or loss	0,0	0,0	0,0	0,0	0,0
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>0,0</b>	<b>-0,1</b>	<b>0,1</b>	<b>0,0</b>	<b>0,1</b>
	0,0	-0,1	0,1	0,0	0,1
<b>TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD</b>	<b>3,3</b>	<b>1,8</b>	<b>2,1</b>	<b>1,2</b>	<b>1,2</b>
<b>Attributable to</b>					
Non-controlling interest	0,4	0,3	0,1	0,2	0,1
Equity holders of parent company	3,0	1,4	2,0	1,0	1,1

\* Taxes are proportionate to the net profit for the period

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<b>CONSOLIDATED BALANCE SHEET, M€</b>	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>31.12.2013</b>
<b>ASSETS</b>			
Liquid assets	97,4	108,1	61,0
Debt securities eligible for refinancing with central banks	75,6	125,1	105,0
Claims on credit institutions	134,5	77,3	90,4
Claims on the public and public sector entities	56,8	62,8	58,7
Debt securities	36,0	48,8	64,0
Shares and participations	50,0	42,4	46,0
Participating interests	3,5	3,5	3,6
Derivative contracts	9,3	14,5	19,7
Intangible assets	8,4	12,5	11,5
Property, plant and equipment	2,4	3,3	3,0
Other assets	282,9	166,8	109,3
Accrued income and prepayments	4,8	3,4	3,0
Deferred tax assets	1,1	0,7	0,8
<b>TOTAL ASSETS</b>	<b>762,8</b>	<b>669,3</b>	<b>576,0</b>

<b>CONSOLIDATED BALANCE SHEET, M€</b>	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>31.12.2013</b>
<b>LIABILITIES</b>			
Liabilities to credit institutions and central banks	8,5	10,9	18,9
Liabilities to the public and public sector entities	324,4	323,9	260,9
Debt securities issued to the public	41,3	73,2	70,7
Derivative contracts and other trading liabilities	23,8	25,8	46,4
Other liabilities	296,8	174,6	115,9
Accrued expenses and deferred income	14,3	10,0	13,7
Deferred tax liabilities	0,4	0,8	0,8
	<b>709,5</b>	<b>619,2</b>	<b>527,2</b>
Equity to holders of parent company	52,0	49,2	47,7
Non-controlling interest in capital	1,2	0,8	1,0
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>762,8</b>	<b>669,3</b>	<b>576,0</b>

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EQUITY CAPITAL, M€										
		Share capital	Share premium fund	Reserve for invested unrestricted equity	Other reserves	Translation difference	Retained earnings	Total	Non-controlling interest	Total Equity
Equity capital	31.12.2012	30,2	1,8	11,1	0,1	0,3	4,7	48,3	0,9	49,2
Translation difference						-0,1		-0,1		-0,1
Profit/loss for the period							4,0	4,0	0,4	4,4
Dividends							-2,6	-2,6	-0,5	-3,1
Share issue				1,6				1,6		1,6
Acquisition of own shares							-0,8	-0,8		-0,8
Other changes				0,1			-1,2	-1,1		-1,1
Equity capital	30.9.2013	30,2	1,8	12,8	0,0	0,2	4,1	49,2	0,8	50,0
Translation difference						-0,1		-0,1		-0,1
Profit/loss for the period							1,0	1,0	0,2	1,2
Dividends							-2,3	-2,3	0,1	-2,2
Acquisition of own shares							-0,2	-0,2		-0,2
Other changes				-0,2			0,2	0,0		0,0
Equity capital	31.12.2013	30,2	1,8	12,7	0,1	0,1	2,8	47,7	1,0	48,8
Translation difference						-0,2		-0,2	-0,2	-0,4
Profit/loss for the period							6,3	6,3	0,8	7,2
Dividends							-2,6	-2,6	-0,4	-3,1
Share issue				0,5				0,5		0,5
Share options exercised					0,1			0,1		0,1
Other changes							0,1	0,1		0,1
Equity capital	30.9.2014	30,2	1,8	13,2	0,2	-0,1	6,6	52,0	1,2	53,2

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CASH FLOW STATEMENT, M€	1-9/ 2014	1-9/ 2013	1-12/ 2013
<b>Cash flows from operating activities</b>			
Interest and commission received	47,1	42,2	78,7
Interest and commissions paid	-3,0	-4,1	-5,0
Cash payments to employees and suppliers	-29,8	-34,5	-43,8
Increase(-) or decrease(+) in operating assets:			
Net change in trading book assets and liabilities	11,9	9,2	-14,8
Deposits held for regulatory or monetary control purposes	-23,8	-22,8	-20,7
Funds advanced to customers	88,8	43,6	12,9
Issue of loan capital	-29,4	10,3	7,8
Net cash from operating activities before income taxes	61,8	43,9	15,1
Income taxes	-1,8	-0,5	-0,9
<i>Net cash used in operating activities</i>	60,0	43,4	14,2
<b>Cash flows from investing activities</b>			
Proceeds from sales of subsidiaries and associates	-0,1	-3,4	-2,8
Proceeds from sales of non-dealing securities	0,0	0,0	0,0
Acquisition of property, plant and equipment and intangible	-0,4	-1,5	-2,1
<i>Net cash used in investing activities</i>	-0,5	-4,8	-4,9
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares capital	0,6	0,7	0,7
Purchase of own shares	-0,1	-0,8	-1,0
Payment of finance lease liabilities	-0,2	-0,1	-0,2
Dividends paid	-3,0	-3,2	-5,5
<i>Net cash from financing activities</i>	-2,7	-3,4	-6,0
Net increase / decrease in cash and cash equivalents	56,9	35,1	3,4
Cash and cash equivalents at beginning of period	126,3	123,1	123,1
Cash and cash equivalents at end of period	183,0	158,2	126,3



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2014	Markets	Corporate Finance	Wealth Management	Group Operations	Unallocated	Group
<b>SEGMENT INCOME STATEMENT, M€</b>	1-9/ 2014	1-9/ 2014	1-9/ 2014	1-9/ 2014	1-9/ 2014	1-9/ 2014
<b>REVENUE</b>						
External sales	12,8	6,4	23,6	2,7	0,9	46,4
Inter-segment sales	-0,3	0,0	0,0	0,3	0,0	0,0
<b>Total revenue</b>	<b>12,5</b>	<b>6,4</b>	<b>23,6</b>	<b>3,0</b>	<b>0,9</b>	<b>46,4</b>
<b>RESULT</b>						
Segment operating expenses	-8,5	-3,3	-14,0	-11,0	-0,5	-37,3
Corporate expenses	-1,8	-0,1	-3,6	5,6	0,0	0,0
<b>Operating profit</b>	<b>2,2</b>	<b>2,9</b>	<b>5,9</b>	<b>-2,4</b>	<b>0,4</b>	<b>9,1</b>
					0,1	0,1
Income taxes					-2,2	-2,2
<b>Segment profit/loss after taxes</b>	<b>2,2</b>	<b>2,9</b>	<b>5,9</b>	<b>-2,4</b>	<b>-1,6</b>	<b>7,2</b>
<b>SEGMENT BALANCE SHEET</b>						
	30.9.2014	30.9.2014	30.9.2014	30.9.2014		30.9.2014
Segment assets	272,5	2,1	24,5	502,5		
Unallocated corporate assets					-38,8	
<b>Consolidated total assets</b>						<b>762,8</b>
Segment liabilities	203,1	0,7	10,7	515,1		
Unallocated corporate liabilities					-20,1	
<b>Consolidated total liabilities</b>						<b>709,5</b>
2013	Markets	Corporate Finance	Wealth Management	Group Operations	Unallocated	Group
<b>SEGMENT INCOME STATEMENT, M€</b>	1-9/ 2013	1-9/ 2013	1-9/ 2013	1-9/ 2013	1-9/ 2013	1-9/ 2013
<b>REVENUE</b>						
External sales	12,8	1,7	22,3	3,9	0,3	40,9
Inter-segment sales	-0,3	0,0	0,0	0,3	0,0	0,0
<b>Total revenue</b>	<b>12,5</b>	<b>1,7</b>	<b>22,3</b>	<b>4,2</b>	<b>0,3</b>	<b>40,9</b>
<b>RESULT</b>						
Segment operating expenses	-8,5	-3,5	-14,8	-8,4	-0,2	-35,4
Unallocated corporate expenses	-2,3	-0,2	-4,0	6,5	0,0	0,0
<b>Operating profit</b>	<b>1,8</b>	<b>-2,0</b>	<b>3,5</b>	<b>2,2</b>	<b>-0,2</b>	<b>5,4</b>
					0,1	0,1
Income taxes					-1,1	-1,1
<b>Segment profit/loss after taxes</b>	<b>1,8</b>	<b>-2,0</b>	<b>3,5</b>	<b>2,2</b>	<b>-1,0</b>	<b>4,4</b>
<b>SEGMENT BALANCE SHEET</b>						
	30.9.2013	30.9.2013	30.9.2013	30.9.2013		30.9.2013
Segment assets	239,1	1,8	21,5	440,9		
Unallocated corporate assets					-34,1	
<b>Consolidated total assets</b>						<b>669,3</b>
Segment liabilities	177,2	0,6	9,4	449,6		
Unallocated corporate liabilities					-17,5	
<b>Consolidated total liabilities</b>						<b>619,2</b>

Group Operations comprise the Treasury, Group Risk Management, Financial Administration, Information Management, Group Communications, Legal Department and Compliance, and Human Resources.

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KEY FIGURES DESCRIBING THE FINANCIAL PERFORMANCE OF THE GROUP	1-9/2014	1-9/2013	1-12/2013
Net revenue, M€	46,4	40,9	55,5
Operating profit / loss, M€	9,1	5,4	6,7
% of net revenue	19,7	13,3	12,1
Profit / Loss for financial year, M€	7,2	4,4	5,6
% of net revenue	15,4	10,8	10,2
Expense ratio (operating costs to net revenue)	0,80	0,87	0,88
Earnings/share (EPS)	1,54	1,0	1,2
Return on equity % (ROE) *	18,2	11,6	11,2
Return on assets % (ROA) *	1,4	0,9	0,9
Equity/total assets ratio %	7,0	7,5	8,5
Personnel in end of period	252	247	245

\*annualized

Evli Group's capital adequacy	30.9.2014	30.9.2013	31.12.2013
Own assets (common equity Tier 1 capital), M€	38,2	34,1	35,0
Risk-weighted items total for market- and credit risks, M€	188,3	151,5	152,8
Capital adequacy ratio, %	13,3	13,5	13,9
Evli Bank Plc:s adequacy ratio, %	17,7	18,2	18,4
Own funds surplus M€	15,3	13,8	14,9
Own funds in relation to the minimum capital requirement	1,7	1,7	1,7

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**Calculation of key ratios**

Net revenue	From Income Statement. Includes gross returns, deducted by interest and commission expenses.
Operating profit	From Income Statement
Profit for the financial year	From Income Statement
Return on equity (ROE), %	$= \frac{\text{Operating profit/loss - taxes}}{\text{Equity capital and minority interest (average of the figures for the beginning and at the end of the year)}} \times 100$
Return on assets (ROA), %	$= \frac{\text{Operating profit/loss - taxes}}{\text{Average total assets (average of the figures for the beginning and at the end of the year)}} \times 100$
Equity / Total assets ratio, %	$= \frac{\text{Equity capital}}{\text{Total assets}} \times 100$
Expense ratio as earnings to operating costs	$= \frac{\text{Administrative expenses + depreciation and impairment charges+ other operating expenses}}{\text{Net interest income + net commission income + net income from securities transactions and foreign exchange dealing + other operating income}} \times 100$
Earnings/share	$= \frac{\text{Total recognised income and expenses for the period without the share of the non-controlling interest}}{\text{Shares outstanding}}$

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**ACCOUNTING POLICIES**

The Interim Report complies with IAS 34, Interim Reports, as approved by the EU. The accounting policies applied to the financial statements and the segment reporting policies are detailed in the financial statements for 2013. Evli Bank Plc applies the standards IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities since 1.1.2014. The amended standards are not expected to have an impact on Evli's consolidated financial statements.

**NOTES TO BALANCE SHEET, M€** 30.9.2014      30.9.2013      31.12.2013

**Equity and debt securities**

Equity securities are presented in the Statement of Changes in Equity

Debt securities issued to the public

Certificates of Deposits and commercial papers	0,0	0,0	15,0
Bonds	41,3	58,3	55,7
<b>Debt securities issued to the public</b>	<b>41,3</b>	<b>41,3</b>	<b>70,7</b>

	<b>alle 3 kk</b>	<b>3-12 kk</b>	<b>1-5 vuotta</b>
Debt securities issued to the public	8,1	4,5	28,7

**Changes in bonds issued to the public** 30.9.2014      30.9.2013      31.12.2013

Issues	15,0	1,3	8,1
Repurchases	19,6	6,0	12,3

**Off-balance sheet commitments**

Commitments given to a third party on behalf of a customer	5,3	2,4	3,1
Irrevocable commitments given in favour of a customer	0,6	0,6	0,5
Guarantees on behalf of others	0,6	0,6	0,6
Unused credit facilities	2,2	2,0	2,1

	<b>1-9/2014</b>		
<b>Transactions with related parties</b>	Associated companies	Group management	Group management
Receivables	0,0	0,1	0,1

There were no major changes in transactions with related parties in the review period.

The figures are unaudited.

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**Derivative contracts**

Overall effect of risks associated with derivative contracts					2014
Nominal value of underlying , brutto					
	Remaining maturity			Fair value (+/-)	
	Less than 1 year	1-5 years	5-15 years		
<b>Held for trading</b>					
Interest rate derivatives					
Interest rate swaps	0,0	3,3	2,9		0,0
Currency-linked derivatives	2 113,4	0,0	0,0		0,1
Equity-linked derivatives					
Futures	7,8	0,0	0,0		0,3
Options bought	93,6	25,0	0,0		8,9
Options sold	69,7	25,0	0,0		-10,8
Other derivatives					
Held for trading, total	2 284,5	53,2	2,9		-1,5
<b>Derivative contracts, total</b>					
	2 284,5	53,2	2,9		-1,5

Equity derivatives held for trading, and other liabilities held for trading hedge the equity delta risk for shares and participations in the trading book.

Currency derivatives comprise commitments made against clients and the associated hedges, and contracts made to hedge currency risk in the balance sheet. The net open risk position of

Equity derivatives in the banking book hedge the equity risk in equity-linked bonds issued to the public.

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**Value of financial instruments across the three levels of the fair value hierarchy, M€**

	Level1	Level2	Level3	
	2014	2014	2014	
Financial assets:				
Shares and participations classified as held for trading	26,7	0,0	5,0	31,7
Shares and participations, other	11,9	0,0	6,4	18,4
Debt securities	103,6	0,0	8,1	111,6
Positive market values from derivatives	1,8	0,1	7,4	9,3
Total financial assets held at fair value	144,0	0,1	26,9	171,0
Financial liabilities:				
Shares and participations classified as held for trading	12,3	0,0	0,7	13,0
Negative market values from derivatives	4,2	0,0	6,6	10,8
Total financial liabilities held at fair value	16,5	0,0	7,3	23,8

**Explanation of fair value hierarchies:**

Level 1

Fair values measured using quoted prices in active markets for identical instruments

Level 2

Fair values measured using directly or indirectly observable inputs, other than those included in level 1

Level 3

Fair values measured using inputs that are not based on observable market data.

Level 1 of the hierarchy includes listed shares, mutual funds and derivatives listed on exchanges, and debt securities that are traded in active OTC- and public markets.

Shares and participations classified in level 3 are usually instruments which are not publicly traded, like venture capital funds and real estate funds.

Derivatives in level 2 or 3 are derivatives whose values are calculated with pricing models widely in use, like Black-Scholes.

Derivative valuations for level 3 instruments contain inputs (volatility and dividend estimate) which are not directly observable in the market.

Debt securities valuations that are obtained from markets that are not fully active, have a fair value level hierarchy of 2. Level 3 valuations for debt securities are valuations received directly from the arranger of the issue.