

EVLI BANK'S INTERIM REPORT 1–9/2015: Good result for the review period

January-September 2015

- The company's business developed favorably, especially with respect to asset management and capital markets operations.
- Asset Management commission income increased 9 percent on the corresponding period of 2014 and was EUR 30.2 million (1-9/2014: EUR 27.7 million). The Capital Markets unit's net revenue increased 7 percent year on year and was EUR 8.9 million (EUR 8.3 million).
- The Group's net revenue of EUR 46.2 million was similar to that recorded in the corresponding period of 2014 (EUR 46.4 million). The net revenue was strained by the decrease in income from advisory services. The income from advisory services were EUR 4.2 million for the review period (EUR 6.4 million). In addition, an adjustment in asset management fees which negatively impacted the net revenues, was made.
- The Group's operating profit for the review period was EUR 9.2 million (EUR 9.1 million). The operating profit was impacted by non-recurring expenses.
- Net assets under management grew by approximately 10 percent and totaled EUR 8.5 billion at the end of September, including associated companies.
- The company strengthened its asset management service offer by acquiring a majority holding in Head Asset Management Oy. The transaction was executed on October 19, 2015 after the Financial Supervisory Authority approved the arrangement.
- Evli Bank's liquidity is good and its capital adequacy remained at a high level.

July-September 2015

- The Group's net revenue decreased compared to the corresponding period of 2014 and was EUR 13.4 million (EUR 16.2 million). During the review period the Corporate Finance unit's invoicing decreased compared to the corresponding period and was EUR 1.4 million (EUR 3.0 million). In addition, an adjustment of asset management fees impacted the net revenue.
- The Group's operating profit was EUR 2.7 million (EUR 4.2 million). The operating profit was impacted by non-recurring expenses.

Outlook unchanged

Earnings for 2015 are expected to be better than in 2014. This view is supported by the 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.

EVLI BANK PLC

Evli is a genuine private bank specializing in investment that helps private persons and institutions increase their wealth. The company offers asset management services, capital markets related services, such as brokerage of equities and other instruments, market making, investment research and a full range of Corporate Finance service. The company also offers a comprehensive selection of funds, and bank services that support clients' investment operations.

Evli's clients are present and future high net worth private individuals, their families and related companies, and also institutional clients, such as insurance companies, pension funds, organizations, municipal authorities and companies.

Evli has a professional staff of over 200 employees, and has a total of EUR 8.5 billion in client assets under management (net 9/2015). Evli Group's equity capital is EUR 51.0 million and the BIS capital adequacy ratio stood at 13.5% on September 30, 2015

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KEY FIGURES	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Sales, M€	13,8	16,8	47,4	47,8	61,5
Net revenue, M€	13,4	16,2	46,2	46,4	59,7
Operating profit / loss, M€	2,7	4,2	9,2	9,1	9,8
Profit / Loss for financial year, M€	1,9	3,3	7,0	7,2	7,7
Operating profit / loss % of net revenue	20,2 %	26,2 %	20,0 %	19,7 %	16,3 %
Earnings/share (EPS)	0,09	0,15	0,28	0,31	0,33
Diluted earnings/share IFRS	0,08	0,14	0,27	0,30	0,31
Return on equity % (ROE) *			18,0	18,2	15,2
Recurring revenue ratio			90 %	82 %	83 %
Dividend/share					1,05
Personnel in end of period			240	252	242

* Annualized

Share specific key figures are calculated using split corrected share count in accordance to the decision of the Extraordinary General Meeting on October 1, 2015.

CEO Maunu Lehtimäki

“Evli’s financial result during the January-September 2015 review period was good. The operating profit was EUR 9.2 million, which corresponds to an operating margin of approximately 20 percent. Return on equity was 18 percent, which exceeds the Group’s 15 percent long-term return on equity target. However, there is no significant change in the revenue or the operating profit when the performance is compared with the corresponding period in the previous year. This is partly because Corporate Finance orders were received during the second and third quarters during the comparison period and some non-recurring expense items were recorded during the review period. Our Wealth Management and Markets business units performed favorably and our net client assets grew by approximately 10 percent year on year and totaled EUR 8.5 billion.”

Market performance

Market uncertainty increased during the third quarter. Share prices, which rose strongly in the early part of the year, started to decline substantially during the late summer and fall. The downswing in the European equity market in the summer was caused by the continuation of the uncertain financing situation in Greece and the cashing in of profits after the first-quarter rally.

In particular, uncertainty regarding China's growth outlook, caused the equity and commodity markets to fluctuate during the fall. The slowing of growth and the consequent decline in equity prices and commodity prices has depressed the economic outlooks and equity prices of especially those countries that are dependent on the sale of commodities, such as Russia and Brazil.

In many stock exchanges, the entire return for the beginning of the year was wiped out during the fall, and stock exchange indices were negative when looking at the period from the beginning of the year until end of September. Calculated from the beginning of the year, the OMX Helsinki CAP GI Index fell by 2.5 percent while the Stoxx Europe Index fell by 1.0 percent. The MSCI World Index, which describes the performance of the global equity market, correspondingly declined by 5.9 percent especially as a result of the weak period experienced by the emerging markets.

Looking at the foreign exchange market, the euro has weakened against the dollar this year. During the beginning of the year the valuation of the euro in relation to the dollar decreased by 12.5 percent at the most compared with the turn of the year, and was still at the end of September 6.1 percent lower than the level at the turn of the year.

The quantitative easing program launched by the European Central Bank (ECB) in March has proceeded according to plan. The ECB is spending EUR 60 billion each month purchasing euro area government bonds. In May government bond interest rates started to increase rapidly after hitting record lows. Compared with the turn of the year, the level of long-term interest rates in the euro area was nearly unchanged at the end of September.

Revenue performance

In the review period, Evli Group's net revenue of EUR 46.2 million remained similar to that recorded in the corresponding period of 2014 (EUR 46.4 million). The revenue performance was especially positive in asset management and brokerage operations, and in both of these invoicing has increased as a result of an increase in client activity and asset values. A non-recurring adjustment of asset management fees had a negative impact on revenue performance.

Asset management operations performed well during the review period. The unit's net revenue grew 9 percent compared with the corresponding period of 2014, and was EUR 30.2 million (EUR 27.7 million). The performance was supported by successful sales to new clients and an increase in assets under management.

The Markets unit's net revenue for the review period increased 7 percent year on year and was EUR 8.9 million (EUR 8.3 million). An increase in the number of client initiatives in all the unit's product categories had a positive impact on the revenue. The

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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 commission income. Other capital market products include derivatives, exchange traded funds, structured investment products and bonds. During the third quarter, 54 percent of the unit's brokerage income was derived from the other capital market products.

The Corporate Finance unit's net revenue decreased from the level of the previous year and was EUR 4.2 million (EUR 6.4 million). Significant fluctuations in net revenue from one quarter to the next are typical for 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 fixed operating expenses. In the review period, recurring revenue covered 90 percent (82%) of the Group's fixed operating expenses. The client margin, and the revenues from Wealth Management operations, fund operations, custody operations and management of incentive systems, are deemed to be recurring revenue.

Result and cost structure

The Group's result for the review period was good. Compared to the previous year, there were no significant changes. The Group's operating profit for the review period increased by 1 percent on the corresponding level of the previous year to EUR 9.2 million (EUR 9.1 million). The gross profit margin was 20.0 percent (19.7%). The profit for the period was EUR 7.0 million (EUR 7.2 million).

The total cost's for the review period remained at the previous year's level. The Group's personnel expenses totaled EUR 19.8 million (EUR 19.7 million). The Group's administrative expenses were EUR 11.7 million (EUR 10.5 million). Non-recurring expenses of EUR 0.7 million related to Evli's anniversary year are included in the administrative expenses for the period under review. The Group's depreciation, amortization and write-downs were EUR 2.7 million (EUR 4.0 million), which includes a EUR 0.4 million goodwill write-down. The goodwill write-down is related to the company's operations in the Baltic countries. During the period under review Evli concentrated the services it provides to asset management clients in the Baltic countries to Helsinki and closed down the operational activities of Evli's subsidiary, Evli Securities AS, in conjunction with this. As a consequence, the company assessed that there was no longer any separate goodwill associated with taking care of asset management client relationships in the Baltic countries and so the full value of the goodwill was written down. Other operating expenses totaled EUR 2.7 million during the period under review (EUR 3.0 million). Evli's expense/income ratio remained at the level of the previous year and was 0.80 (0.80).

The strategic project launched in 2014 to simplify both Evli's and its clients' investment processes proceeded according to plan during the review period. The project is expected to further lighten the company's cost structure in the near future.

Balance sheet and funding

At the end of the review period, the Evli Group’s balance sheet total was EUR 749 million (EUR 763 million). Significant fluctuations in the size of the balance sheet are possible from one quarter to the next.

The Group’s equity totaled EUR 51.0 million at the end of the financial year. 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 13.5 percent clearly exceeds the regulator’s requirement of 10.5 percent. The return of capital calculation includes the intangible rights created in conjunction with the Head Asset Management Oy transaction.

Common equity tier 1 capital, M€	30.9.2015	30.9.2014
Share capital	30,2	30,2
Funds total	13,5	15,5
Minority interest	0,0	1,0
<i>Decreases:</i>		
Intangible assets	6,1	8,0
Other decreases	3,9	0,5
Total common equity tier 1 capital	33,6	38,2

The result of the period is included in the calculation of total common equity capital in accordance to approval by the Finnish Financial Supervisory Authority. Evli Bank has no tier 2 capital.

Minimum requirement of own funds, M€	30.9.2015	30.9.2015
	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 credit institutions and investment firms	3,8	48,1
Investments in mutual funds	0,0	0,5
Claims secured with property	0,2	2,3
Claims from corporate customers	0,5	6,8
Items with high risk, as defined by the authorities	0,4	4,5
Other items	5,9	73,9
Minimum amount of own funds, market risk, € million	0,9	11,5
Minimum amount of own funds, operational risk, € million	8,1	100,8
Total	19,9	248,3

The Group’s funding from the public and credit institutions increased by 30 percent compared with the previous year. The company’s loan portfolio decreased by 7 percent on the previous year to approximately EUR 53.0 million. The ratio of loans granted by the Group to Evli Bank Plc’s deposits from the public was 12 percent. The Group’s liquidity is very good.

Personnel and organization

The Group had 240 (252) employees at the end of the review period. This represented a year-on-year decrease of 12 persons, or approximately 5 percent. The decrease is the result of the reorganization of the Baltic and Russian operations at the end of 2014.

90 percent of the personnel were employed in Finland and 10 percent abroad.

Business areas

Evli modified its business area reporting at the beginning of 2015 by concentrating the business functions that generate what is known as recurring revenue in the Wealth Management segment. These functions include management of incentive systems and custody operations, which were previously reported under the Markets segment. As a result, Evli's business reporting will correspond better with a reporting structure that is based on the company's strategy.

Group operations

The interest margin, currency returns and return on investment for the Groups operation's declined from the previous year's level and were EUR 2.2 million in total (EUR 3.1 million). Administrative expenses increased year on year as a result of expenses related to the company's 30-year's anniversary celebrations, for example. Correspondingly, depreciation was at a lower level than in the previous year. Overall costs were at the level of the previous year.

Wealth Management

Wealth Management in numbers	1-9/2015	1-9/2014	Change %	7-9/2015	7-9/2014	Change %
Net revenue, M€	30.2	27.7	9 %	9.1	9.2	0 %
operating profit/loss before Group allocations, M€	14.3	12.8	12 %	4.2	4.4	-5 %
Operating profit / loss, M€	7.1	7.2	-1 %	2.2	3.0	-28 %
Personnel, at the end of period	108	104	4 %			
Market share (Evli Fund Company), %*	5.2	5.0				
Net subscriptions to own funds, M€*	375	43				
Average rating of Evli funds in MorningStar	3.7	3.5				

*source: fund report by Finanssialian Keskusliitto ry

Evli Group's Asset Under Management ("AUM") including associated companies, billion euros	30.9.2015	30.9.2014
of which in mutual funds and asset management,	9.6	8.4
in real-estate funds managed by Northern Horizon Capital,	1.0	1.1
in incentive systems managed by Evli Alexander Management	0.4	na
Evli group's gross AUM	11.0	-
Evli Group's net AUM	8.5	-

** Net AUM excludes mutual funds within asset management agreements

July-September

The performance of asset management clients' investment portfolios and of funds followed the general market performance. The abrupt increase of long-term market interest rates caused the return of long-term bonds to become negative. The equity markets' returns during the review period were varied while emerging markets' returns were mainly positive and those of the developed markets fluctuated above and below zero.

During the third quarter, the best-performing equity fund measured in terms of returns was Evli Russia (return from start of year 17.3%), the best-performing balanced fund was Evli Finland Mix (return from start of year 3.3%) and the best-performing fixed income fund was Evli European High Yield (return from start of year 0.8%).

The Evli Short Corporate Bond fund's portfolio management achieved investment research company Citywire's highest AAA rating and the top ranking in the euro area's short corporate bonds category. The global comparison included all sectors and 13,759 portfolio managers, of whom only 428 were awarded the AAA rating.

January-September

The Wealth Management unit performed well during the review period. Net revenue rose by 9 percent compared to the corresponding period in 2014 and came to EUR 30.2 million (EUR 27.7 million). The performance was supported by an increase in assets under management in all client segments and by the number of new clients. The performance of client assets was also positive, which resulted mainly from strong market performance during the first quarter. The Wealth Management unit's net assets under management totaled EUR 8.5 billion at the end of September, including associated companies.

Net subscriptions to funds registered in Finland totaled EUR 8 billion (EUR 6.8 billion) at the end of the third quarter. Net subscriptions to Evli's funds totaled EUR 372 million (EUR 43 million). Evli Fund Management Company's market share increased by 0.2 percentage points on the previous year and was 5.2 percent at the end of September. The combined capital of the 25 mutual funds managed by the company was EUR 4,876 million (EUR 4,197 million) and the number of shareholders according to the fund report compiled by Investment Research was 20,779 (16,603).

Of Evli's funds, Evli Euro Liquidity (EUR 311 million) and Evli Short Corporate Bond (EUR 131 million) received the biggest net subscriptions by the end of September. Evli Euro Liquidity (EUR 1,018 million) and Evli European High Yield (EUR 666 million) had the most assets of all funds at the end of the third quarter. In a fund comparison carried out in September by the independent Morningstar, the average star rating of Evli's funds was 3.7 (3.5). Of Evli's 25 funds, 20 were included in the comparison, and 13 of them received the highest or second highest Morningstar rating.

Evli has gained significant recognition for its asset management this year. Evli was ranked best asset manager based on an evaluation of overall quality in the TNS Sifo Prospera "External Asset Management Institutions 2015, Finland" institutional client survey. Evli was also ranked in first place for its investment performance and portfolio

management expertise. Lipper, which analyzes funds, selected the Evli Finnish Small Cap fund as the best Finnish equity fund in 2015 measured on 10-year returns. The reference group was Nordic equity funds investing in Finland.

Markets

Markets in numbers	1-9/2015	1-9/2014	Change %	7-9/2015	7-9/2014	Change %
Net revenue, M€	8.9	8.3	7 %	2.0	2.5	-21 %
operating profit/loss before Group allocations, M€	2.5	1.6	62 %	0.2	0.4	-61 %
Operating profit / loss, M€	0.3	-0.5	-	-0.5	-0.1	379 %
Personnel, at the end of period	34	35	-3 %			
Market share (OMX Helsinki), EUR volume, %	1.15	1.30				
Market share (OMX Helsinki), number of trades, %	0.83	1.00				

July-September

The Markets unit's comparable net revenue fell 21 percent, year-on-year, in the third quarter and was EUR 2.0 million (EUR 2.5 million). The decline in the third-quarter revenue was mainly caused by a reduction in the income from securities transactions from the previous year. Brokerage commissions remained at last year's level during the review period.

January-September

Net revenue for the review period increased 7 percent year on year and was EUR 8.9 million (EUR 8.3 million). The revenue growth was boosted by the unit's all product categories. Especially positive was the commission performance of derivatives and ETF brokerage, which was better than last year.

Evli's largest secondary market trades during the review period were Cargotec Plc (EUR 89.2 million) and Elektrobitt Plc (EUR 19 million or 3.5 percent of the company). In addition, Evli acted as the arranger and seller in the SSH Communications Security Plc's hybrid bond issue and brokered large trades in Kone Corporation.

The target of Evli's Markets unit is to raise the proportion of non-equity brokerage in its operations. In the third quarter of 2015, the proportion of the unit's brokerage income accounted for by product areas other than equity brokerage was 54 percent.

Corporate Finance

Corporate Finance in numbers	1-9/2015	1-9/2014	Change %	7-9/2015	7-9/2014	Change %
Net revenue, M€	4.2	6.4	-34 %	1.4	3.0	-55 %
operating profit/loss before Group allocations, M€	1.2	3.1	-62 %	0.4	1.9	-81 %
Operating profit / loss, M€	0.9	2.4	-61 %	0.4	1.5	-76 %
Personnel, at the end of period	22	28	-21 %			

July-September

The M&A market continued to be active during the third quarter. Nevertheless, Evli Corporate Finance's net revenue decreased by 55 percent compared with the corresponding period of 2014 due to the exceptionally strong comparison period. The unit's net revenue for the third quarter of 2015 was EUR 1.4 million (EUR 3.0 million). During the review period, Evli Corporate Finance was an advisor in a share transaction between Grimaldi and Ilmarinen, in which Grimaldi acquired 10.58 percent of Finnlines stock from Ilmarinen. The unit was also an advisor to Seamless AB in a convertible bond issue, an advisor to the Finnish fund Quadrans in the acquisition of the Swedish company Scandiflex, and an advisor to the Finnish company Intera in its investment regarding Finland's leading children's indoor playground chain HopLop Oy.

Evli was an advisor during the third quarter of 2015 in a share transaction between Ilmarinen and Grimaldi regarding the shares of the company Finnlines. The final transaction was executed at the beginning of October, but the relevant advisory fee was reported in the result for the third quarter because the advisory work was carried out during this period. With respect to the fees, the HopLop Oy transactions were not reported during the review period.

January-September

The M&A market was active throughout the first half of the year and client initiative remained on a good level, especially in M&A activity.

Evli Corporate Finance's net income decreased by 34 percent from the previous year and was EUR 4.2 million (EUR 6.4 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

Evli Bank Plc founded a new 100-percent-owned subsidiary, Evli Alternative Investments Ltd, which was entered in the Trade Register on March 9, 2015.

Evli's shares and share capital

Pursuant to the authorization to acquire Evli shares issued by the AGM on March 6, 2015, the company acquired a total of 2,250 shares during the second quarter of 2015, and a total of 4,000 shares during the third quarter of 2015. The shares were acquired in accordance with the shareholder agreement through changes in ownership.

Evli Bank Plc's total number of shares changed during the second quarter by a total of 157,500 shares. The change in the number of shares resulted from the entry in the Trade Register of new shares subscribed for and paid in full in partial payment share issues arranged in the fall of 2011, and the entry in the Trade Register of new shares subscribed for on the basis of stock options according to the 2014 option program. The new shares were entered in the Trade Register on May 5, 2015.

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Evli Bank Plc's total number of shares changed during the third quarter by a total of 11,375 shares after the company's Board of Directors decided to annul the remaining Evli shares held by the company on September 8, 2015. The new number of shares was entered in the Trade Register on September 21, 2015.

The total number of shares at the end of the review period was 4,242,784 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 share capital during the review period.

Dividend

In accordance with the proposal of the Board, the Annual General Meeting of Evli Bank Plc held on March 6, 2015 resolved to distribute EUR 1.06 per share in dividends, a total of EUR 4,337,026.04 for the 2014 financial year. Dividends were paid on March 17, 2015.

Additional return of capital

In accordance with a proposal of the Board, the Extraordinary General Meeting of Evli Bank Plc held on June 30, 2015 resolved to pay an additional return of capital of EUR 1.00 per share, and EUR 4,246,784 in total. The return of capital was paid on July 9, 2015.

Board of Directors and auditors

Evli Bank Plc's Annual General Meeting, held on March 6, 2015, confirmed six as the number of members of the Board of Directors. 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 AGM 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 Annual General Meeting resolved on March 6, 2015, 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 307,240 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 AGM.

The AGM resolved on March 6, 2015, to authorize the Board of Directors to decide on buying back Evli shares. A maximum of 409,665 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 AGM.

Risk Management and business risks

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.

Evli's most significant near-term risk is the impact of market performance on the company's business functions. Capital market performance has a direct impact on the asset management business, whose revenue is based on the performance of assets under management and is therefore subject to market fluctuations. The general performance of the markets also has an impact on brokerage operations. Evli's brokerage operations include many brokerage products and demand for the different products varies depending on capital market performance, which helps to make the unit's revenue less sensitive to market changes. In the Corporate Finance unit, any changes in the sentiments of investors and corporate management may result in the lengthening or termination of projects.

The delta-adjusted price risk of Evli's own investment portfolio and proprietary trading was approximately EUR 7.7 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 +/- 0.3 million, based on the assumption that market rates rise/fall by one percentage point. Evli's liquidity has remained solid. With respect to operational risks, the result for the review period takes into account the asset management fee correction. A more detailed explanation of the risks of Evli's business functions and their management can be found in the company's financial statements.

Developments after the reporting period

Evli's Extraordinary General Meeting held on October 1, 2015 decided to amend the company's Articles of Association. As a result, Evli has two share series: series A and series B, whose rights are determined in the manner specified in the amended Articles of Association. The General Meeting also decided to increase the number of shares by giving shareholders new shares free of charge in proportion to their holdings, so that three (3) new series A shares and one (1) series B share were given for each series A

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share. Now that the decisions have been implemented, there are a total of 16,971,136 series A shares and a total of 4,242,784 series B shares, all in all, totaling 21,213,920 shares. The General Meeting also decided on a share issue authorization granted to the Board of Directors, pursuant to which 3,000,000 new series B shares may be issued and on an authorization regarding the purchase of Evli shares.

The Extraordinary General Meeting also decided on the election of Johanna Lamminen as Evli's seventh Board member.

In September 2015, Evli concluded an agreement on the acquisition of a majority holding in Head Asset Management Oy. The transaction was executed on October 19, 2015 after the Financial Supervisory Authority had approved the arrangement.

Evli has started measures to restructure its Russian operations. The aim is to centralize Russian advisory operations to Finland, and to base the services provided to these clients in Helsinki in the future. There might occur non-recurring expenses in relation to the restructuring activities.

Evli's associated company Northern Horizon Capital signed on August 13, 2015 a deal where the company sold its subsidiary company BPT Real Estate AS, which focuses on real estate management. The transaction was executed on October 23, 2015. The transaction is expected to have a EUR 2-2.5 million positive result effect on Evli's fourth quarter result, with respect to the sales profit in the associated company.

Business environment

Evli's business environment has remained favorable. The recognition received by the company in esteemed and independent studies, and the implemented acquisition of Head Asset Management Oy have further reinforced Evli's position as Finland's leading private bank. The asset management business trend was positive throughout the first half of the year, and this was discernible as growth in client numbers and assets under management. In the Corporate Finance business, the company has achieved a stable position on the Swedish market, which has been reflected as a steady flow of revenue and growth in the mandate base. The company has also increased its commission income in the highly competitive brokerage business and was given significant trades to implement, which is an indication of the clients' confidence in the company. The combined success in all Evli's business areas creates good conditions for growth also in the future. Low interest rates are expected to continue for the time being, which will contribute negatively to bank interest margins.

Outlook unchanged

Earnings for 2015 are expected to be better than in 2014. This view is supported by the 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 27, 2015

Board of Directors

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EVLI BANK PLC GROUP

CONSOLIDATED INCOME STATEMENT, M€	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Net interest income	0,4	0,2	1,0	0,7	1,0
Commission income and expense, net	12,1	14,5	40,9	40,5	53,1
Net income from securities transactions and foreign exchange dealing	0,8	1,1	4,2	4,7	5,2
Other operating income	0,0	0,3	0,2	0,5	0,4
Administrative expenses					
Personnel expenses	-5,5	-6,4	-19,8	-19,7	-26,7
Other administrative expenses	-3,6	-3,2	-11,7	-10,5	-14,0
Depreciation, amortisation and write-down	-0,8	-1,3	-2,7	-4,0	-5,3
Other operating expenses	-0,9	-1,1	-2,7	-3,0	-4,0
Impairment losses on loans and other receivables	0,0	0,0	0,0	0,0	0,0
NET OPERATING PROFIT / LOSS	2,7	4,2	9,2	9,1	9,8
Share of profits (losses) of associates	-0,1	0,1	-0,2	0,2	0,3
Income taxes*	-0,6	-1,0	-2,1	-2,2	-2,4
PROFIT / LOSS FOR FINANCIAL YEAR	1,9	3,3	7,0	7,2	7,7
Attributable to					
Non-controlling interest	0,1	0,4	0,8	0,8	0,9
Equity holders of parent company	1,9	2,9	6,2	6,3	6,8
PROFIT / LOSS FOR FINANCIAL YEAR	1,9	3,3	7,0	7,2	7,7
INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY:					
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
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0,0	0,1	-0,3	0,0	-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
PROFIT / LOSS FOR FINANCIAL YEAR	0,0	0,1	-0,3	0,0	-0,1
	0,0	0,1	-0,3	0,0	-0,1
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD	1,9	3,4	6,7	7,2	7,5
Attributable to					
Non-controlling interest	0,1	0,4	0,8	0,8	0,9
Equity holders of parent company	1,8	3,0	5,9	6,3	6,7

* Taxes are proportionate to the net profit for the period

CONSOLIDATED INCOME STATEMENT, M€	7-9/2015	4-6/2015	1-3/2015	10-12/2014	7-9/2014
Net interest income	0,4	0,2	0,3	0,3	0,2
Commission income and expense, net	12,1	14,7	14,1	12,7	14,5
Net income from securities transactions and foreign exchange dealing	0,8	1,6	1,8	0,5	1,1
Other operating income	0,0	0,1	0,1	-0,1	0,3
Administrative expenses					
Personnel expenses	-5,5	-7,2	-7,1	-7,0	-6,4
Other administrative expenses	-3,6	-4,6	-3,6	-3,5	-3,2
Depreciation, amortisation and write-down	-0,8	-1,2	-0,8	-1,3	-1,3
Other operating expenses	-0,9	-0,8	-1,0	-1,0	-1,1
Impairment losses on loans and other receivables	0,0	0,0	0,0	0,0	0,0
NET OPERATING PROFIT / LOSS	2,7	2,8	3,7	0,6	4,2
Share of profits (losses) of associates	-0,1	0,0	0,0	0,1	0,1
Income taxes*	-0,6	-0,6	-0,9	-0,2	-1,0
PROFIT / LOSS FOR FINANCIAL YEAR	1,9	2,3	2,8	0,5	3,3
Attributable to					
Non-controlling interest	0,1	0,6	0,1	0,0	0,4
Equity holders of parent company	1,9	1,7	2,7	0,5	2,9
PROFIT / LOSS FOR FINANCIAL YEAR	1,9	2,3	2,8	0,5	3,3

INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY:

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
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	0,0	-0,1	-0,1	-0,1	0,0
Tax on items that are or may be reclassified subsequently to profit or loss	0,0	0,0	0,0	0,0	0,0
PROFIT / LOSS FOR FINANCIAL YEAR	0,0	-0,1	-0,1	-0,1	0,0
	0,0	-0,1	-0,1	-0,1	0,0
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD	1,9	2,2	2,6	0,4	3,3
Attributable to					
Non-controlling interest	0,1	0,6	0,1	0,0	0,4
Equity holders of parent company	1,8	1,6	2,5	0,4	3,0

* Taxes are proportionate to the net profit for the period

CONSOLIDATED BALANCE SHEET, M€	30.9.2015	30.9.2014	31.12.2014
ASSETS			
Liquid assets	105,7	97,4	104,0
Debt securities eligible for refinancing with central banks	40,5	75,6	74,2
Claims on credit institutions	101,8	134,5	108,9
Claims on the public and public sector entities	53,0	56,8	56,9
Debt securities	181,3	36,0	32,8
Shares and participations	38,2	50,0	35,7
Participating interests	2,7	3,5	3,5
Derivative contracts	3,1	9,3	32,0
Intangible assets	6,4	8,4	7,6
Property, plant and equipment	2,0	2,4	2,3
Other assets	208,8	282,9	28,6
Accrued income and prepayments	5,1	4,8	2,9
Deferred tax assets	0,7	1,1	0,6
TOTAL ASSETS	749,4	762,8	490,0

CONSOLIDATED BALANCE SHEET, M€	30.9.2015	30.9.2014	31.12.2014
LIABILITIES			
Liabilities to credit institutions and central banks	13,5	8,5	8,0
Liabilities to the public and public sector entities	436,5	324,4	297,1
Debt securities issued to the public	35,9	41,3	33,1
Derivative contracts and other trading liabilities	12,2	23,8	40,7
Other liabilities	185,8	296,8	43,1
Accrued expenses and deferred income	14,2	14,3	15,3
Deferred tax liabilities	0,2	0,4	0,4
	698,3	709,5	437,8
Equity to holders of parent company	49,9	52,0	51,0
Non-controlling interest in capital	1,1	1,2	1,2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	749,4	762,8	490,0

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	31.12.2013	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	-0,3
Profit/loss for the period							6,3	6,3	0,8	7,2
Registration of share capital								0,0		0,0
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							0,2	0,2		0,2
Equity capital	30.9.2014	30,2	1,8	13,2	0,2	-0,1	6,6	52,0	1,2	53,2
Translation difference						-0,2		-0,2	-0,1	-0,3
Profit/loss for the period							0,5	0,5	0,0	0,5
Dividends							-1,6	-1,6		-1,6
Share issue				0,1				0,1		0,1
Share options exercised								0,0		0,0
Acquisition of own shares				-0,2				-0,2		-0,2
Other changes							0,6	0,6		0,6
Equity capital	31.12.2014	30,2	1,8	13,2	0,2	-0,4	6,0	51,0	1,2	52,2
Translation difference						0,1		0,1		0,1
Profit/loss for the period							6,2	6,2	0,8	7,0
Dividends				-4,2			-4,3	-8,6	-0,9	-9,5
Share issue				1,4				1,4		1,4
Acquisition of own shares				-0,1				-0,1		-0,1
Other changes				0,2			-0,4	-0,1		-0,1
Equity capital	30.9.2015	30,2	1,8	10,5	0,2	-0,3	7,5	49,9	1,1	51,0

CASH FLOW STATEMENT, M€	1-9/ 2015	1-9/ 2014	1-12/ 2014
Cash flows from operating activities			
Interest and commission received	19,1	44,1	57,8
	-44,4	3,0	7,9
Interest and commissions paid	-2,4	-3,0	-3,6
Cash payments to employees and suppliers	-29,5	-29,8	-42,9
Increase(-) or decrease(+) in operating assets:			
Net change in trading book assets and liabilities	-122,1	11,9	28,7
Deposits held for regulatory or monetary control purposes	18,9	-23,8	-24,2
Funds advanced to customers	182,4	88,8	57,8
Issue of loan capital	2,8	-29,4	-37,6
Net cash from operating activities before income taxes	24,9	61,8	43,9
Income taxes	-2,5	-1,8	-1,8
<i>Net cash used in operating activities</i>	22,4	60,0	42,1
Cash flows from investing activities			
Proceeds from sales of subsidiaries and associates	-0,5	-0,1	0,0
Dividend received	0,0	0,0	0,4
Proceeds from sales of non-dealing securities	0,0	0,0	-0,1
Acquisition of property, plant and equipment and intangible	-1,2	-0,4	-0,8
<i>Net cash used in investing activities</i>	-1,7	-0,5	-0,5
Cash flows from financing activities			
Proceeds from issue of shares capital	1,4	0,6	0,6
Purchase of own shares	-0,1	-0,1	-0,2
Net decrease/increase in other borrowings	0,0	0,1	0,2
Payment of finance lease liabilities	-0,2	-0,2	-0,3
Dividends paid	-8,6	-3,0	-4,6
<i>Net cash from financing activities</i>	-7,5	-2,7	-4,2
Net increase / decrease in cash and cash equivalents	13,5	56,9	37,4
Cash and cash equivalents at beginning of period	163,6	126,3	126,3
Cash and cash equivalents at end of period	177,2	183,0	163,6

2015	Markets	Corporate Finance	Wealth Management	Group Operations	Unallocated	Group
SEGMENT INCOME STATEMENT, M€	1-9/ 2015	1-9/ 2015	1-9/ 2015	1-9/ 2015	1-9/ 2015	1-9/ 2015
REVENUE						
External sales	9,2	4,1	30,3	2,0	0,6	46,2
Inter-segment sales	-0,3	0,1	0,0	0,2	0,0	0,0
Total revenue	8,9	4,2	30,2	2,2	0,6	46,2
RESULT						
Segment operating expenses	-6,8	-3,0	-17,5	-9,1	-0,5	-37,0
Business units operating profit before Group allocations	2,1	1,2	12,7	-6,8	0,1	9,2
Allocated corporate expenses	-1,8	0,0	-5,0	6,8	0,0	0,0
Operating profit including Group allocations	0,3	1,2	7,7	0,0	0,1	9,2
Share of profits (losses) of associates					-0,2	-0,2
Income taxes					-2,1	-2,1
Segment profit/loss after taxes	0,3	1,2	7,7	0,0	-2,1	7,0

2014	Markets	Corporate Finance	Wealth Management	Group Operations	Unallocated	Group
SEGMENT INCOME STATEMENT, M€	1-9/ 2014	1-9/ 2014	1-9/ 2014	1-9/ 2014	1-9/ 2014	1-9/ 2014
REVENUE						
External sales	8,6	6,4	27,7	2,8	0,9	46,4
Inter-segment sales	-0,3	0,0	0,0	0,3	0,0	0,0
Total revenue	8,3	6,4	27,7	3,1	0,9	46,4
RESULT						
Segment operating expenses	-7,1	-3,3	-15,6	-10,7	-0,6	-37,3
Business units operating profit before Group allocations	1,2	3,1	12,1	-7,6	0,3	9,1
Allocated corporate expenses	-1,7	-0,1	-4,6	6,5	0,0	0,0
Operating profit including Group allocations	-0,5	2,9	7,6	-1,2	0,3	9,1
Share of profits (losses) of associates					0,2	0,2
Income taxes					-2,2	-2,2
Segment profit/loss after taxes	-0,5	2,9	7,6	-1,2	-1,6	7,2

Regular reporting to top management does not include breakdown of assets and liabilities of Evli Group to different business segments. Because of this the breakdown of assets and liabilities to segments is not included in the official segment report.

Allocated corporate expenses includes cost items relating to general administration of Evli Group and banking business that are allocated to business units using allocation drivers in place at each time of review.

Group Operations comprise Management of Evli Group, certain back-office functions, Treasury, Group Risk Management, Financial Administration, Information Management, Group Communications, Legal Department and Compliance, and Human Resources.

PRESS RELEASE
 OCT 27, 2015

KEY FIGURES DESCRIBING THE FINANCIAL PERFORMANCE OF THE GROUP	1-9/ 2015	1-9/ 2014	1-12/ 2014
Net revenue, M€	46,2	46,4	59,7
Operating profit / loss, M€	9,2	9,1	9,8
% of net revenue	20,0	19,7	16,3
Profit / Loss for financial year, M€	7,0	7,2	7,7
% of net revenue	15,1	15,4	12,8
Expense ratio (operating costs to net revenue)	0,80	0,80	0,84
Earnings/share (EPS)	0,28	0,31	0,33
Diluted earnings/share IFRS	0,27	0,30	0,31
Return on equity % (ROE) *	18,0	18,2	15,2
Return on assets % (ROA) *	1,50	1,39	1,39
Equity/total assets ratio %	6,8	7,0	10,7
Dividend/share			1,05
Personnel in end of period	240	252	242
*annualized			

Evli Group's capital adequacy	30.9.2015	30.9.2014	31.12.2014
Own assets (common equity Tier 1 capital), M€	33,6	38,2	39,3
Risk-weighted items total for market- and credit risks, M€	147,5	188,3	157,5
Capital adequacy ratio, %	13,5	13,3	15,2
Evli Bank Plc:s adequacy ratio, %	18,4	17,7	18,7
Own funds surplus M€	13,8	15,3	18,7
Own funds in relation to the minimum capital requirement	1,7	1,7	1,9
Own funds surplus M€ including additional capital requirement	7,6		

From the beginning of the year, an additional fixed capital requirement of 2.5% (common equity Tier 1) has come into effect in Finland

Share specific key figures are calculated using split corrected share count in accordance to the decision of the Extraordinary General Meeting on October 1, 2015.

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), %	$= \frac{\text{Profit / Loss for financial year}}{\text{Equity capital and minority interest (average of the figures for the beginning and at the end of the year)}} \times 100$
Return on assets (ROA), %	$= \frac{\text{Profit / Loss for financial year}}{\text{Average total assets (average of the figures for the beginning and at the end of the year)}} \times 100$
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	$= \frac{\text{Total recognised income and expenses for the period without the share of the non-controlling interest}}{\text{Shares outstanding}}$

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 2014. The accounting policies applied for recognising items in the Interim Report are unchanged compared with the 2014 Annual Report.

Evli modified its business area reporting at the beginning of 2015 by concentrating the business functions that generate what is known as recurring revenue in to the Wealth Management segment. These functions include management of incentive systems Evli Alexander Management and custody operations, which previously came were reported under the Markets segment. As a result, Evli's business reporting will correspond better with a reporting structure that is based on the company's strategy. Due to modification to segment reporting, 1,5 million euros of operating profit has been transferred between Capital Markets and Wealth Management segments. Modification has had no impact on Group numbers.

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€	30.9.2015	30.9.2014	31.12.2014
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	0,0
Bonds	35,9	41,3	33,1
Debt securities issued to the public	35,9	41,3	33,1
Breakdown by maturity			
	less than 3 months	3-12 months	1-5 years 5-10 years
Debt securities issued to the public	0,0	3,2	27,1
			5,6
Changes in bonds issued to the public			
	30.9.2015	30.9.2014	31.12.2014
Issues	13,9	15,0	16,0
Repurchases	9,8	19,6	43,2
Off-balance sheet commitments			
Commitments given to a third party on behalf of a customer	5,8	5,3	5,3
Irrevocable commitments given in favour of a customer	0,6	0,6	0,6
Guarantees on behalf of others	0,5	0,6	0,6
Unused credit facilities	1,7	2,2	3,0
1-9/2015			
Transactions with related parties			
	1-6/2015	Associated companies	Group managemen
Sales		0,0	0,0
Purchases		0,0	0,0
Receivables		0,0	0,0
Liabilities		0,0	0,0

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

The figures are unaudited.

Derivative contracts

Overall effect of risks associated with derivative contracts

2015

Nominal value of underlying , brutto

	Remaining maturity			Fair value (+/-)
	Less than 1 year	1-5 years	5-15 years	
Held for trading				
Interest rate derivatives				
Interest rate swaps	0,0	6,3	2,9	0,0
Currency-linked derivatives	2 093,4	0,0	0,0	0,1
Equity-linked derivatives				
Futures	5,6	0,0	0,0	0,6
Options bought	47,9	27,9	2,8	1,5
Options sold	45,4	27,7	2,8	-2,2
Other derivatives				
Held for trading, total	2 192,2	61,9	8,4	0,0
Derivative contracts, total	2 192,2	61,9	8,4	0,0

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 the total amount is small.

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

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

	Level1	Level2	Level3	
	2015	2015	2015	
Financial assets:				
Shares and participations classified as held for trading	15,9	0,0	1,3	17,3
Shares and participations, other	13,9	0,0	7,0	20,9
Debt securities eligible for refinancing with central banks	40,5	0,0	0,0	40,5
Debt securities	29,3	144,5	7,4	181,3
Positive market values from derivatives	2,4	0,1	0,6	3,1
Total financial assets held at fair value	102,1	144,7	16,4	263,1
Financial liabilities:				
Shares and participations classified as held for trading	7,7	0,0	1,3	9,0
Negative market values from derivatives	3,1	0,0	0,0	3,1
Total financial liabilities held at fair value	10,8	0,0	1,3	12,2

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

There are no significant change in the option fair values, if the volatility estimates are changed to publicly obtained historical volatilities.

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.