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JUL 13, 2015

## EVLI BANK'S INTERIM REPORT 1-6/2015: Profit growth continues, Evli ranked as best asset manager in Finland

- The Group's net revenue for the review period increased 9 percent and was EUR 32.8 million (1-6/2014: EUR 30.2 million).
- The Group's profit for the review period was EUR 5.0 million (EUR 3.8 million).
- Net assets under management grew at a good rate and totaled EUR 8.4 billion at the end of June, including associated companies.
- The company has gained significant recognition for its asset management. Evli was ranked best asset manager based on an evaluation of overall quality in TNS Sifo Prospera's institutional client survey. Evli was also ranked in first place for its investment performance and portfolio management expertise.
- Evli Bank's liquidity is good and its capital adequacy remained at a high level.
- The company's business performance was favorable especially in asset management and brokerage operations. The growth in the number of Private Banking clients exceeded the targets.

### Good outlook for 2015

Earnings for 2015 are expected to be better than in 2014. This outlook 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.

KEY FIGURES	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
Sales, M€	17,0	16,7	33,6	31,1	61,5
Net revenue, M€	16,6	16,3	32,8	30,2	59,7
Operating profit / loss, M€	2,8	2,4	6,5	4,9	9,8
Profit / Loss for financial year, M€	2,3	1,9	5,0	3,8	7,7
Operating profit / loss % of net revenue	16,9 %	14,5 %	19,9 %	16,2 %	16,3 %
Earnings/share (EPS)	0,48	0,34	1,07	0,83	1,63
Diluted earnings/share IFRS	0,46	0,32	1,04	0,79	1,56
Return on equity % (ROE) *			20,0	15,5	15,2
Recurring revenue ratio			91 %	81 %	83 %
Dividend/share					1,05
Personnel in end of period			244	252	242

\* 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 over 200 people. Evli Group's equity capital is EUR 49.2 million and the BIS capital adequacy ratio stood at 13.9% on June 30, 2015.

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### **Market performance**

After a historically strong first quarter of the year the equity markets settled down during the second quarter and in places markets declined. The Euro Stoxx Index declined 4.2 percent during the second quarter after increasing 18 percent in the first quarter. The OMX Helsinki CAP GI Index declined 5.8 percent and the OMX Stockholm Benchmark Index declined 5.3 percent. The downswing in the European equity market was caused by the continuation of the uncertain financing situation in Greece and the cashing in of profits after the first-quarter rally. In the USA, first-quarter equity market performance was clearly weaker than that in Europe, but equity prices managed to retain their levels during the second quarter when the European markets declined. The S&P 500 Index increased 0.2 percent in the second quarter. With regards to emerging markets, the equity market in China has seen significant turbulence during the year. Equities listed in Shanghai exchange went up by 59 percent reaching their peak in the beginning of June after which they tumbled by 35 percent during the following three weeks as investors worried about high valuation levels and over heated exchange. Central bank of China has expressed an intent to support the equity market by improving liquidity, making direct interventions and by limiting the selling of shares.

The foreign exchange markets also calmed down during the second quarter and the euro strengthened 3.8 percent against the dollar.

The quantitative easing program launched by the European Central Bank 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. In a short period euro area government bond prices fell by as much as 5 percent. For example, the yield on Germany's 10-year government bond rose to one percent after falling to a low of just 0.049 percent. The interest rate movements started leveling off in June. In the second quarter, the yield of the euro area government bond index was -5.4 percent.

### **Revenue performance**

In the review period, Evli Group's net revenue grew 9 percent year on year, and was EUR 32.8 million (EUR 30.2 million). The growth in net revenue was boosted by increases in commission income. Good performance in asset management and brokerage operations in particular had a positive impact on revenue growth.

Asset management operations performed well during the review period. The unit's net revenue grew 14 percent compared with the corresponding period of 2014, and was EUR 21.1 million (EUR 18.5 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 19 percent year on year and was EUR 6.9 million (EUR 5.8 million). An increase in the number of client initiatives in all of the unit's product areas had a positive impact on the revenue. 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

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commission income. Other capital market products include derivatives, exchange traded funds, structured investment products and bonds. During the review period, 50 percent of the unit's brokerage income was derived from the other capital market products.

The Corporate Finance unit's net revenue decreased, compared to the corresponding period in 2014 and was EUR 2.8 million (EUR 3.4 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 91 percent (81%) of the Group's fixed operating expenses. The client interest 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 operating profit for the review period increased significantly and was EUR 6.5 million (EUR 4.9 million). The profit for the period was EUR 5.0 million (EUR 3.8 million).

Evli's operational cost structure remained at the previous year's level. The Group's personnel expenses totaled EUR 14.4 million (EUR 13.3 million). The change in this figure is attributable to a profit sharing provision for personnel. The Group's administrative expenses were EUR 8.2 million (EUR 7.4 million). Non-recurring expenses of EUR 0.4 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 2.0 million (EUR 2.7 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 1.8 million during the period under review (EUR 2.0 million). Evli's expense/income ratio improved and was 0.80 (0.84).

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

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### Balance sheet and funding

At the end of the review period, the Evli Group's balance sheet total was EUR 731 million (EUR 583 million). Significant fluctuations in the size of the balance sheet are possible from one quarter to the next.

The Group's equity was EUR 49.2 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 13.9 percent clearly exceeds the regulator's requirement of 10.5 percent. The return of capital that was decided on June 30, 2015 and paid on July 9, 2015 has been taken into account in the capital adequacy calculation.

Common equity tier 1 capital, M€	30.6.2015	30.6.2014
Share capital	30,2	30,2
Funds total	13,6	15,1
Minority interest	0,0	0,8
<i>Decreases:</i>		
Intangible assets	6,3	9,0
Other decreases	0,2	0,5
<b>Total common equity tier 1 capital</b>	<b>37,3</b>	<b>36,7</b>

Evli Bank has no tier 2 capital.

Minimum requirement of own funds, M€	30.6.2015	30.6.2015
	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	5,3	66,7
Investments in mutual funds	0,1	0,7
Claims secured with property	0,3	3,4
Claims from corporate customers	0,4	4,5
Items with high risk, as defined by the authorities	0,3	4,1
Other items	6,3	78,9
Minimum amount of own funds, market risk, € million	0,7	8,9
Minimum amount of own funds, operational risk, € million	8,1	100,8
<b>Total</b>	<b>21,4</b>	<b>268,0</b>

The Group's funding from the public and credit institutions increased by 55 percent compared with the previous year. The company's loan portfolio increased by 8 percent on the previous year to approximately EUR 58.9 million. The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 13 percent. The Group's liquidity is very good.

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## Personnel and organization

The Group had 244 (252) employees at the end of the review period. This represented a year-on-year decrease of 8 persons, or 3 percent. The decrease is the result of the reorganization of the Baltic and Russian operations at the end of 2014.

91 percent of the personnel were employed in Finland and 9 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 Group's interest margin, currency returns and return on investment operations decreased compared to the previous year's level and were EUR 1.5 million in total (EUR 2.0 million). The expenses of Group operations remained at a level corresponding to the previous year.

## Wealth Management

Wealth Management in numbers	1-6/2015	1-6/2014	Change %	4-6/2015	4-6/2014	Change %
Net revenue, M€	21,1	18,5	14 %	10,5	9,4	11 %
Operating profit / loss, M€	5,0	4,2	18 %	1,2	1,8	-32 %
Personnel, at the end of period	103	107	-4 %			
Market share (Evli Fund Company), %*	5,1	5,1				
Net subscriptions to own funds, M€*	375	-5				
Average rating of Evli funds in MorningStar	3,6	3,4				

\*source: fund report by Finanssialian Keskusliitto ry

Evli Group's Asset Under Management ("AUM") including associated companies, billion euros	30.6.2015	30.6.2014
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
<b>Evli group's gross AUM</b>	<b>11,0</b>	<b>-</b>
<b>Evli Group's net AUM</b>	<b>8,4</b>	<b>-</b>

\*\* Net AUM excludes mutual funds within asset management agreements

## April-June

The Wealth management unit performed well during the second quarter. The unit's net revenue rose by 11 percent to EUR 10.5 million (EUR 9.4 million). The unit's profit was

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strain by the write-down of the goodwill concerning the operations in the Baltic countries. The performance of asset management clients' investment portfolios and of funds followed the general market performance, which was slightly negative during the second quarter. A rise in long market rates took fixed income investment returns into negative territory during the quarter. The equity markets also turned negative at the end of the period, making most of the results for the entire review period negative.

During the second quarter, the best-performing equity fund was Evli Russia (return from start of year 32.4%), the best-performing balanced fund was Evli Finland Mix (return from start of year 5.65%) and the best-performing fixed income fund was Evli Emerging Markets Credit (return from start of year 2.65%).

Evli again received considerable acknowledgement for its asset management. 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. In addition, Evli was the most used institutional asset manager among a total of 14 asset management houses. Over 60 percent of the survey respondents said that they used Evli's asset management services (personal asset management and funds).

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.

#### January-June

The Wealth Management unit performed well during the review period. Net revenue rose by 14 percent compared to the corresponding period in 2014 and came to EUR 21.1 million (EUR 18.5 million). The performance was supported by an increase in assets under management 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 of the year. The Wealth Management unit's net assets under management totaled EUR 8.4 billion at the end of June, including associated companies.

Net subscriptions to funds registered in Finland totaled EUR 7.8 billion (EUR 3.9 billion) at the end of the second quarter. Net subscriptions to Evli's funds totaled EUR 375 million (EUR -5,2 million). Evli Fund Management Company's market share remained at the level corresponding to the previous year and was 5.1 percent at the end of June. The combined capital of the 25 mutual funds managed by the company was EUR 5,028 million (EUR 4,246 million) and the number of shareholders according to the fund report compiled by Investment Research was 20,407 (16,325).

Of Evli's funds, Evli Euro Liquidity (EUR 224 million) and Evli Short Corporate Bond (EUR 161 million) received the biggest net subscriptions by the end of June. Evli European High Yield (EUR 841 million) and Evli Euro Liquidity (EUR 800 million) had the most assets of all funds at the end of the second quarter. In a fund comparison carried out in June by the independent Morningstar, the average star rating of Evli's

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funds registered in Finland was 3.6 (3.4). Of Evli's 25 funds, 20 were included in the comparison, and 13 of them received the highest or second highest Morningstar rating.

## Markets

Markets in numbers	1-6/2015	1-6/2014	Change %	4-6/2015	4-6/2014	Change %
Net revenue, M€	6,9	5,8	19 %	3,3	2,6	27 %
Operating profit / loss, M€	0,8	-0,4	-	0,1	-0,7	-
Personnel, at the end of period	36	34	6 %			
Market share (OMX Helsinki), EUR volume, %	1,2	1,3				
Market share (OMX Helsinki), number of trades, %	0,9	1,0				

### April-June

The Markets unit's comparable net revenue rose 27 percent, year-on-year, in the second quarter and was EUR 3.3 million (EUR 2.6 million). The high net revenue in the second quarter was a result of very successful market making operations and a growth in trading commissions.

### January-June

Net revenue in the first half of the year grew 19 percent compared with the previous year and was EUR 6.9 million (EUR 5.8 million). All sales groups contributed positively to the returns in the first half of the year. The commission performance of derivatives and ETF brokerage, which was better than last year, was especially positive.

The largest secondary market trades using the bookbuilding process of the first half were concluded in the first quarter. The companies were Cargotec Plc (EUR 89.2 million) and Elektrobit 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. Evli also brokered large trades in Kone Corporation among others.

The target of Evli's Markets unit is to raise the proportion of non-equity brokerage in its operations. During the first half of 2015, the proportion of the unit's brokerage income accounted for by product areas other than equity brokerage was 50 percent.

## Corporate Finance

Corporate Finance in numbers	1-6/2015	1-6/2014	Change %	4-6/2015	4-6/2014	Change %
Net revenue, M€	2,8	3,4	-15 %	2,0	2,7	-28 %
Operating profit / loss, M€	0,6	0,9	-36 %	0,6	1,4	-59 %
Personnel, at the end of period	20	30	-33 %			

### April-June

Although the M&A market continued to be active during the second quarter, the Corporate Finance unit's net revenue decreased by 28 percent compared to the corresponding period of 2014 due to an exceptionally strong performance in the

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corresponding period. The net revenue during the second quarter was EUR 2.0 million (EUR 2.7 million). During the review period, in Sweden, Evli was an advisor in the sale of Mediplast AB to Addtech AB, which is listed in Sweden. The unit also acted as an advisor to Mediplast AB in the acquisition of the Finnish company Fenno Medical and as an advisor to Dedicare, which is listed in Sweden, in the sale of the company's Norwegian HR operations. In Finland, Evli acted as an advisor to the listed company SSH Communications Security Corporation regarding the issuing of a convertible hybrid bond. Evli Corporate Finance succeeded well in increasing its existing mandate base and received many new orders during the review period.

In the first quarter, Evli was an advisor to Lantmännen AB with respect to the acquisition of the Finnish company Vaasan from Lion Capital. The closing of mandate was subject to the approval of the competition authorities. The competition authorities approved the transaction during the second quarter and the commission was recognized in the figures during the quarter.

January-June

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.

The Corporate Finance unit's net income decreased 15 percent on the previous year and was EUR 2.8 million (EUR 3.4 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. 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 a partial payment share issue 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. The total number of shares at the end of the review period was 4,254,159 shares. At the end of the review period, the company held a total of 7,375 Evli shares.



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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

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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 various brokerage products and demand for the different products differs from one another 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 8.2 million at the end of June, and a 20 percent negative market movement would have resulted in a scenario loss of approximately EUR 1.2 million. At the end of June, the Treasury unit's interest rate risk was approximately EUR +/- 0.3, based on the assumption that market rates will rise/fall by one percentage point. Evli's liquidity has remained solid. No significant operational risks were realized during the review period. A more detailed explanation of the risks of Evli's business functions and their management can be found in the company's financial statements.

### **Business environment**

Evli's business environment has remained favorable. The company has strengthened its position as a leading private bank specializing in investment and as an expert in the asset management, brokerage and advisory businesses and this is backed by the acknowledgements received during the review period. The strengthened position has reflected to the business in the form of revenue growth through an increase in new client acquisition, for example. The development in Finland during the beginning of the year has been positive especially in asset management services. The company has also increased its revenue in the highly competitive brokerage business and was given significant trades to implement, which is an indication of the clients' confidence in the company. In the Corporate Finance business, the development of the mandate base, especially in Sweden, was positive. This creates good conditions for growth also in the

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

### **Outlook**

Earnings for 2015 are expected to be better than in 2014. This outlook 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, July 13, 2015*

*Board of Directors*

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**EVLI BANK PLC GROUP**

<b>CONSOLIDATED INCOME STATEMENT, M€</b>	<b>4-6/2015</b>	<b>4-6/2014</b>	<b>1-6/2015</b>	<b>1-6/2014</b>	<b>1-12/2014</b>
Net interest income	0,2	0,3	0,5	0,5	1,0
Commission income and expense, net	14,7	14,1	28,8	26,0	53,1
Net income from securities transactions and foreign exchange dealing	1,6	1,8	3,4	3,6	5,2
Other operating income	0,1	0,1	0,1	0,2	0,4
<b>Administrative expenses</b>					
Personnel expenses	-7,2	-7,6	-14,4	-13,3	-26,7
Other administrative expenses	-4,6	-4,0	-8,2	-7,4	-14,0
Depreciation, amortisation and write-down	-1,2	-1,3	-2,0	-2,7	-5,3
Other operating expenses	-0,8	-1,0	-1,8	-2,0	-4,0
Impairment losses on loans and other receivables	0,0	0,0	0,0	0,0	0,0
<b>NET OPERATING PROFIT / LOSS</b>	<b>2,8</b>	<b>2,4</b>	<b>6,5</b>	<b>4,9</b>	<b>9,8</b>
Share of profits (losses) of associates	0,0	0,1	0,0	0,1	0,3
Income taxes*	-0,6	-0,6	-1,5	-1,2	-2,4
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>2,3</b>	<b>1,9</b>	<b>5,0</b>	<b>3,8</b>	<b>7,7</b>
Attributable to					
Non-controlling interest	0,6	0,3	0,7	0,4	0,9
Equity holders of parent company	1,7	1,6	4,3	3,4	6,8
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>2,3</b>	<b>1,9</b>	<b>5,0</b>	<b>3,8</b>	<b>7,7</b>
<b>INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY:</b>					
<b>Items, that will not be reclassified to profit or loss</b>	0,0	0,0	0,0	0,0	0,0
<b>Income and expenses recognised directly in equity</b>	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	0,2	-0,1	0,2	-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>0,2</b>	<b>-0,1</b>	<b>0,2</b>	<b>-0,1</b>	<b>-0,1</b>
	0,2	-0,1	0,2	-0,1	-0,1
<b>TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD</b>	<b>2,5</b>	<b>1,8</b>	<b>5,3</b>	<b>3,8</b>	<b>7,5</b>
Attributable to					
Non-controlling interest	0,6	0,3	0,7	0,4	0,9
Equity holders of parent company	2,0	1,4	4,5	3,3	6,7

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

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CONSOLIDATED INCOME STATEMENT, M€	4-6/ 2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014
Net interest income	0,2	0,3	0,3	0,2	0,3
Commission income and expense, net	14,7	14,1	12,7	14,5	14,1
Net income from securities transactions and foreign exchange dealing	1,6	1,8	0,5	1,1	1,8
Other operating income	0,1	0,1	-0,1	0,3	0,1
<b>Administrative expenses</b>					
Personnel expenses	-7,2	-7,1	-7,0	-6,4	-7,6
Other administrative expenses	-4,6	-3,6	-3,5	-3,2	-4,0
Depreciation, amortisation and write-down	-1,2	-0,8	-1,3	-1,3	-1,3
Other operating expenses	-0,8	-1,0	-1,0	-1,1	-1,0
Impairment losses on loans and other receivables	0,0	0,0	0,0	0,0	0,0
<b>NET OPERATING PROFIT / LOSS</b>	<b>2,8</b>	<b>3,7</b>	<b>0,6</b>	<b>4,2</b>	<b>2,4</b>
Share of profits (losses) of associates	0,0	0,0	0,1	0,1	0,1
Income taxes*	-0,6	-0,9	-0,2	-1,0	-0,6
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>2,3</b>	<b>2,8</b>	<b>0,5</b>	<b>3,3</b>	<b>1,9</b>
Attributable to					
Non-controlling interest	0,6	0,1	0,0	0,4	0,3
Equity holders of parent company	1,7	2,7	0,5	2,9	1,6
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>2,3</b>	<b>2,8</b>	<b>0,5</b>	<b>3,3</b>	<b>1,9</b>
 <b>INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY:</b>					
<b>Items, that will not be reclassified to profit or loss</b>	0,0	0,0	0,0	0,0	0,0
<b>Income and expenses recognised directly in equity</b>	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	0,2	-0,1	-0,1	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
<b>PROFIT / LOSS FOR FINANCIAL YEAR</b>	<b>0,2</b>	<b>-0,1</b>	<b>-0,1</b>	<b>0,0</b>	<b>-0,1</b>
<b>TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD</b>	<b>2,5</b>	<b>2,6</b>	<b>0,4</b>	<b>3,3</b>	<b>1,8</b>
Attributable to					
Non-controlling interest	0,6	0,1	0,0	0,4	0,3
Equity holders of parent company	2,0	2,5	0,4	3,0	1,4

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

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<b>CONSOLIDATED BALANCE SHEET, M€</b>	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>31.12.2014</b>
<b>ASSETS</b>			
Liquid assets	165,3	71,5	104,0
Debt securities eligible for refinancing with central banks	40,6	70,6	74,2
Claims on credit institutions	133,5	90,5	108,9
Claims on the public and public sector entities	58,9	54,8	56,9
Debt securities	132,4	61,1	32,8
Shares and participations	48,6	42,0	35,7
Participating interests	2,9	3,3	3,5
Derivative contracts	6,1	8,9	32,0
Intangible assets	6,6	9,5	7,6
Property, plant and equipment	2,2	2,6	2,3
Other assets	127,8	161,7	28,6
Accrued income and prepayments	5,9	5,4	2,9
Deferred tax assets	0,7	1,2	0,6
<b>TOTAL ASSETS</b>	<b>731,3</b>	<b>583,0</b>	<b>490,0</b>

<b>CONSOLIDATED BALANCE SHEET, M€</b>	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>31.12.2014</b>
<b>LIABILITIES</b>			
Liabilities to credit institutions and central banks	6,9	6,0	8,0
Liabilities to the public and public sector entities	442,3	268,0	297,1
Debt securities issued to the public	37,3	39,9	33,1
Derivative contracts and other trading liabilities	23,2	22,3	40,7
Other liabilities	153,2	183,7	43,1
Accrued expenses and deferred income	19,0	12,9	15,3
Deferred tax liabilities	0,3	0,5	0,4
	<b>682,1</b>	<b>533,3</b>	<b>437,8</b>
Equity to holders of parent company	48,1	48,7	51,0
Non-controlling interest in capital	1,1	0,9	1,2
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>731,3</b>	<b>583,0</b>	<b>490,0</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	31.12.2013	30,2	1,8	12,7	0,1	0,1	2,8	47,7	1,0	48,8
Profit/loss for the period							3,4	3,4	0,4	3,8
Dividends							-2,6	-2,6	-0,3	-2,9
Share options exercised				-0,1				-0,1		-0,1
Equity capital	30.6.2014	30,2	1,8	12,6	0,2	0,1	3,8	48,7	0,9	49,7
Translation difference						-0,5		-0,5	-0,3	-0,8
Profit/loss for the period							6,8	6,8	0,9	7,7
Dividends							-4,3	-4,3	-0,4	-4,7
Share issue				0,6				0,6		0,6
Acquisition of own shares				-0,2			0,0	-0,2		-0,2
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						0,2		0,2		0,2
Profit/loss for the period							4,3	4,3	0,7	5,0
Dividends / Return of capital				-4,2			-4,3	-8,6	-0,8	-9,4
Share issue				1,4				1,4		1,4
Acquisition of own shares				0,0			0,0	0,0		0,0
Other changes				0,3			-0,4	-0,1		-0,1
Equity capital	30.6.2015	30,2	1,8	10,5	0,2	-0,2	5,5	48,1	1,1	49,2

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CASH FLOW STATEMENT, M€	1-6/ 2015	1-6/ 2014	1-12/ 2014
<b>Cash flows from operating activities</b>			
Interest and commission received	19,0	33,4	65,7
Interest and commissions paid	-1,6	-2,1	-3,6
Cash payments to employees and suppliers	-19,8	-19,0	-42,9
Increase(-) or decrease(+) in operating assets:			
Net change in trading book assets and liabilities	-86,6	0,7	28,7
Deposits held for regulatory or monetary control purposes	3,1	-11,2	-24,2
Funds advanced to customers	175,6	32,5	57,8
Issue of loan capital	4,2	-30,8	-37,6
Net cash from operating activities before income taxes	93,9	3,6	43,9
Income taxes	-0,2	-1,3	-1,8
<i>Net cash used in operating activities</i>	93,6	2,3	42,1
<b>Cash flows from investing activities</b>			
Proceeds from sales of subsidiaries and associates	-0,1	0,5	0,0
Dividend received	0,0	0,0	0,4
Interest received	0,0	0,0	0,0
Proceeds from sales of non-dealing securities	0,0	0,0	-0,1
Acquisition of property, plant and equipment and intangible	-0,3	-0,3	-0,8
<i>Net cash used in investing activities</i>	-0,5	0,3	-0,5
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares capital	1,4	0,0	0,6
Purchase of own shares	0,0	0,0	-0,2
Net decrease/increase in other borrowings	-0,2	0,1	0,2
Payment of finance lease liabilities	-0,1	-0,2	-0,3
Dividends paid	-5,2	-2,9	-4,6
<i>Net cash from financing activities</i>	-4,2	-3,0	-4,2
Net increase / decrease in cash and cash equivalents	89,0	-0,4	37,4
Cash and cash equivalents at beginning of period	163,6	126,3	126,3
<b>Cash and cash equivalents at end of period</b>	<b>252,6</b>	<b>125,8</b>	<b>163,6</b>



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2015	Markets	Corporate Finance	Wealth Management	Group Operations	Unallocated	Group
<b>SEGMENT INCOME STATEMENT, M€</b>	1-6/ 2015	1-6/ 2015	1-6/ 2015	1-6/ 2015	1-6/ 2015	1-6/ 2015
<b>REVENUE</b>						
External sales	7,1	2,8	21,1	1,3	0,5	32,8
Inter-segment sales	-0,2	0,0	0,0	0,2	0,0	0,0
<b>Total revenue</b>	<b>6,9</b>	<b>2,8</b>	<b>21,1</b>	<b>1,5</b>	<b>0,5</b>	<b>32,8</b>
<b>RESULT</b>						
Segment operating expenses	-4,8	-2,0	-12,2	-6,5	-0,7	-26,3
Business units contribution to Evli profit	2,0	0,8	8,9	-5,0	-0,2	6,5
Corporate expenses	-1,3	0,0	-3,4	4,7	0,0	0,0
<b>Operating profit</b>	<b>0,8</b>	<b>0,8</b>	<b>5,5</b>	<b>-0,3</b>	<b>-0,2</b>	<b>6,5</b>
Share of profits (losses) of associates					0,1	0,1
Income taxes					-1,5	-1,5
<b>Segment profit/loss after taxes</b>	<b>0,8</b>	<b>0,8</b>	<b>5,5</b>	<b>-0,3</b>	<b>-1,7</b>	<b>5,0</b>
<b>SEGMENT BALANCE SHEET</b>						
	30.6.2015	30.6.2015	30.6.2015	30.6.2015		30.6.2015
Segment assets	261,3	2,0	23,5	481,8		
Unallocated corporate assets					-37,2	
<b>Consolidated total assets</b>						<b>731,3</b>
Segment liabilities	195,2	0,7	10,3	495,3		
Unallocated corporate liabilities					-19,3	
<b>Consolidated total liabilities</b>						<b>682,2</b>
<b>2014</b>						
<b>SEGMENT INCOME STATEMENT, M€</b>	1-6/ 2014	1-6/ 2014	1-6/ 2014	1-6/ 2014	1-6/ 2014	1-6/ 2014
<b>REVENUE</b>						
External sales	6,0	3,4	18,5	1,8	0,5	30,2
Inter-segment sales	-0,2	0,0	0,0	0,2	0,0	0,0
<b>Total revenue</b>	<b>5,8</b>	<b>3,4</b>	<b>18,5</b>	<b>2,0</b>	<b>0,5</b>	<b>30,2</b>
<b>RESULT</b>						
Segment operating expenses	-5,0	-2,2	-10,8	-6,6	-0,8	-25,3
Business units contribution to Evli profit	0,8	1,2	7,7	-4,6	-0,2	4,9
Unallocated corporate expenses	-1,2	-0,1	-3,2	4,6	0,0	0,0
<b>Operating profit</b>	<b>-0,4</b>	<b>1,1</b>	<b>4,5</b>	<b>0,0</b>	<b>-0,2</b>	<b>4,9</b>
Share of profits (losses) of associates					0,1	0,1
Income taxes					-1,2	-1,2
<b>Segment profit/loss after taxes</b>	<b>-0,4</b>	<b>1,1</b>	<b>4,5</b>	<b>0,0</b>	<b>-2,0</b>	<b>3,8</b>
<b>SEGMENT BALANCE SHEET</b>						
	30.6.2014	30.6.2014	30.6.2014	30.6.2014		30.6.2014
Segment assets	255,5	1,9	23,0	471,2		
Unallocated corporate assets					-168,6	
<b>Consolidated total assets</b>						<b>583,0</b>
Segment liabilities	191,0	0,6	10,4	484,5		
Unallocated corporate liabilities					-153,0	
<b>Consolidated total liabilities</b>						<b>533,3</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	1-6/2015	1-6/2014	1-12/2014
Net revenue, M€	32,8	30,2	59,7
Operating profit / loss, M€	6,5	4,9	9,8
% of net revenue	19,9	16,2	16,3
Profit / Loss for financial year, M€	5,0	3,8	7,7
% of net revenue	15,4	12,7	12,8
Expense ratio (operating costs to net revenue)	0,80	0,84	0,84
Earnings/share (EPS)	1,07	0,83	1,63
Diluted earnings/share IFRS	1,04	0,79	1,56
Return on equity % (ROE) *	20,0	15,5	15,2
Return on assets % (ROA) *	1,66	1,29	1,39
Equity/total assets ratio %	6,7	8,5	10,7
Dividend/share			1,05
Personnel in end of period	244	252	242

\*annualized

Evli Group's capital adequacy	30.6.2015	30.6.2014	31.12.2014
Own assets (common equity Tier 1 capital), M€	37,3	36,7	39,3
Risk-weighted items total for market- and credit risks, M€	167,2	161,4	157,5
Capital adequacy ratio, %	13,9	14,1	15,2
Evli Bank Plc:s adequacy ratio, %	17,3	18,6	18,7
Own funds surplus M€	15,8	15,8	18,7
Own funds in relation to the minimum capital requirement	1,7	1,8	1,9
Own funds surplus M€ including additional capital requirement	9,1	0	0

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

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

Evi 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 Evi Alexander Management and custody operations, which previously came were reported under the Markets segment. As a result, Evi's business reporting will correspond better with a the 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.

Evi 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 Evi's consolidated financial statements.

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NOTES TO BALANCE SHEET, M€	30.6.2015	30.6.2014	31.12.2014
<b>Equity and debt securities</b>			
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	37,3	39,9	33,1
Debt securities issued to the public	37,3	39,9	33,1
<b>Breakdown by maturity</b>			
	<b>less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years 5-10 years</b>
Debt securities issued to the public	0,0	4,0	25,0 8,2
<b>Changes in bonds issued to the public</b>			
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>31.12.2014</b>
Issues	13,8	10,4	16,0
Repurchases	7,8	15,0	43,2
<b>Off-balance sheet commitments</b>			
Commitments given to a third party on behalf of a customer	5,6	4,3	5,3
Irrevocable commitments given in favour of a customer	0,6	0,5	0,6
Guarantees on behalf of others	0,5	0,6	0,6
Unused credit facilities	3,9	2,6	3,0
<b>Transactions with related parties</b>			
	<b>1-6/ 2015</b>	<b>Associated companies</b>	<b>Group managemen</b>
Sales		0,0	0,0
Purchases		0,0	0,0
Receivables		0,0	0,1
Liabilities		0,0	0,9

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**

**2015**

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	6,3	5,6	0,0
Currency-linked derivatives	2 031,2	0,0	0,0	0,1
Equity-linked derivatives				
Futures	9,5	0,0	0,0	0,3
Options bought	26,3	27,9	2,6	4,9
Options sold	28,4	27,8	2,6	-5,2
Other derivatives				
Held for trading, total	2 095,4	62,1	10,8	0,2
<b>Derivative contracts, total</b>	<b>2 095,4</b>	<b>62,1</b>	<b>10,8</b>	<b>0,2</b>

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.

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

	<b>Level1</b>	<b>Level2</b>	<b>Level3</b>	
	<b>2015</b>	<b>2015</b>	<b>2015</b>	
<b>Financial assets:</b>				
Shares and participations classified as held for trading	25,4	0,0	2,3	27,7
Shares and participations, other	14,2	0,0	6,8	20,9
Debt securities eligible for refinancing with central banks	40,6	0,0	0,0	40,6
Debt securities	31,7	93,7	7,0	132,4
Positive market values from derivatives	1,6	0,1	4,4	6,1
<b>Total financial assets held at fair value</b>	<b>113,4</b>	<b>93,8</b>	<b>20,5</b>	<b>227,7</b>
<b>Financial liabilities:</b>				
Shares and participations classified as held for trading	15,8	0,0	1,4	17,3
Negative market values from derivatives	1,7	0,0	4,2	5,9
<b>Total financial liabilities held at fair value</b>	<b>17,5</b>	<b>0,0</b>	<b>5,7</b>	<b>23,2</b>

**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.