PRESS RELEASE

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# EVLI BANK'S INTERIM REPORT 1-9/2013

- The Evli Group's net revenue was EUR 40.9 million for the review period (1-9/2012: EUR 36.1 million).
- The Group's operating profit was EUR 5.4 million (EUR 3.7 million).
- Assets under management totaled EUR 5.5 billion at the end of September (EUR 4.9 billion).
- Evli acquired Aurator Asset Management Ltd at the beginning of January 2013 with a stake of approximately 90 percent.
- Evli Bank's liquidity is strong and its capital adequacy remained at a high level.
- Evli anticipates improved earnings for 2013 compared with the previous year.

| KEY FIGURES | 7-9/ 2013 | 7-9/ 2012 | 1-9/ 2013 | 1-9/ 2012 | 1-12/ 2012 |
|---|---|---|---|---|---|
| Sales, M€ | 12,2 | 11,9 | 42,4 | 37,9 | 50,8 |
| Net revenue, M€ | 11,6 | 11,4 | 40,9 | 36,1 | 48,3 |
| Operating profit / loss, M€ | 1,5 | 1,8 | 5,4 | 3,7 | 3,6 |
| Profit / Loss for financial year, M€ | 1,1 | 0,6 | 4,4 | 2,7 | 2,1 |
| Operating profit / loss % of net revenue | 13,1 % | 15,5 % | 13,3 % | 10,3 % | 7,4 % |
| Personnel in end of period | | | 247 | 244 | 243 |

**Market performance**

During the third quarter, expectations of a change in the US Federal Reserve's policy dominated the markets. The reduction of bond purchases that had been expected to take place in September had a considerable effect on long-term interest rates, the foreign exchange market and emerging countries. Economic outlooks improved in most areas and equity prices in western countries recovered from the summer slide. In the USA, the S&P 500 Index reached an all-time high.

In June-September, the MSCI index that measures equity market performance in developed countries rose by 4.8 percent measured in euros, while the index that measures equity market performance in emerging countries rose by 2.6 percent. The Stoxx 600 index, which measures the European equity markets, rose by 9.4 percent, and the OMX Stockholm CAP index, which reflects the Swedish equity market, rose by 11.2 percent. The OMX Helsinki CAP Index, which measures Finnish equity market performance, rose by 16.7 percent.

The three-month Euribor rate was at 0.225 percent at the end of September. The yield on the German government's 10-year bond rose slightly, finishing at 1.78 percent at the end of the review period. The euro strengthened against the dollar by about 4 percent, finishing at 1.35.

**Revenue performance**

The Evli Group's net revenue rose by 13 percent on the corresponding period of 2012 and was EUR 40.9 million (EUR 36.1 million). Net revenue performance was boosted by growth in commission income, securities trading and foreign exchange dealing. However, performance was negatively affected by the interest margin, which was weaker than it was during the comparison period.

The Wealth Management unit's net revenue rose by 14 percent from the corresponding period of 2012. The consolidation of Aurator Asset Management Ltd into the Group's figures and the strong performance of commission income had a positive impact on revenue performance during the review period.

During the review period, the Markets unit's net revenue increased by 23 percent compared with the corresponding period of 2012. Revenue was boosted by an increase in both commission income and net income from securities trading. The increase in the latter included income from both market making and bond brokerage.

The Corporate Finance unit's net revenue decreased by 44 percent compared with the corresponding period of 2012. Significant fluctuations in net revenue from one quarter to the next are typical of the Corporate Finance business.

**Result and cost structure**

The Group's profit for the review period before taxes and profit sharing with employees was EUR 6.4 million (EUR 4,2 million). The profit before taxes was EUR 5.4 million

(EUR 3.7 million). The Group's expense/income ratio improved on the previous year's level and was 0.87 (0.90).

## Balance sheet and funding

The Group's equity totaled EUR 50.0 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 13.5 percent clearly exceeds the regulator's requirement of 8 percent.

The increase in the balance sheet compared with the previous year is mainly due to periodic fluctuations in the amount of open client transactions in securities brokerage. This has an impact on the other assets and liabilities posted in the balance sheet. Significant fluctuations in the amount of open transactions are typical.

| **Total tier 1 capital, M€** | **30.9.2013** | **30.9.2012** |
|---|---|---|
| Share capital | 30,2 | 30,2 |
| Funds total | 15,0 | 16,7 |
| Minority interest | 0,8 | 0,8 |
| *Decreases:* | | |
| Intangible assets | 11,7 | 12,0 |
| Other decreases | 0,2 | 0,6 |
| Total tier 1 capital | 34,1 | 35,0 |

Evli Bank has no tier 2 capital.

| **Minimum requirement of own funds, M€** | **30.9.2013** | **30.9.2013** |
|---|---|---|
| | Min. | Risk-weighted |
| Minimun capital adequacy requirement by asset group, standard credit risk method | requirement | value |
| (€ million): | | |
| Claims from the state and central banks | 0,0 | 0,0 |
| Claims from regional governments and local authorities | 0,0 | 0,0 |
| Claims from credit institutions and investment firms | 4,3 | 54,3 |
| Investments in mutual funds | 0,6 | 6,9 |
| Claims secured with property | 0,2 | 3,0 |
| Claims from corporate customers | 0,7 | 9,0 |
| Items with high risk, as defined by the authorities | 0,3 | 3,8 |
| Other items | 5,3 | 65,8 |
| Minimum amount of own funds, market risk, € million | 0,7 | 8,7 |
| Minimum amount of own funds, operational risk, € million | 8,2 | 101,9 |
| Total | 20,3 | 253,4 |

The Group's funding from the public and credit institutions increased by 7 percent on the previous year. The company's loan portfolio increased by 4 percent on the previous year to approximately EUR 62.8 million. The ratio of the Group's loan portfolio to Evli Bank Plc's deposits from the public was 19 percent. The Group's liquidity is good.

**Personnel and organization**

The Group had 247 employees (244) at the end of the review period.
83 percent were employed in Finland and 17 percent abroad.

**Business areas**

**Group operations**

The valuation of the Group's investments developed favorably during the review period compared with the previous year, while the interest margin remained at a low level.

**Wealth Management**

| Wealth Management in numbers | 1-9/2013 | 1-9/2012 | Change % | 7-9/2013 | 7-9/2012 | Change % |
|---|---|---|---|---|---|---|
| Net revenue, M€ | 22,3 | 19,5 | 14 % | 7,1 | 7,0 | 1 % |
| Operating profit / loss, M€ | 3,5 | 3,3 | 5 % | 1,7 | 2,0 | -17 % |
| Personnel, at the end of period | 86 | 81 | 6 % | | | |
| Assets under management (Net), at the end of period, M€ | 5 519 | 4 927 | 12 % | | | |
| Assets under management including associated companies (Net), at the end of period, M€ | 6629 | 6120 | | | | |
| Market share (Evli Fund Company), %* | 4,9 | 4,9 | | | | |
| Net subscriptions to own funds, M€* | 270,4 | 71,4 | | | | |
| Average rating of Evli funds in MorningStar | 3,5 | 3,5 | | | | |

*source: fund report by Finanssialan Keskusliitto ry

July-September

Wealth Management operations performed well during the review period, in view of the market conditions. Evli offers discretionary asset management services to institutional investors, private individuals and entrepreneur families. The number of private clients and entrepreneur family clients increased during the review period.

Fund performance reflected the general market performance, which was good during the third quarter. Third-quarter returns were positive in fixed income, balanced and equity funds. The best-performing equity fund was Evli Finnish Small Cap (annual return 32.8%), the best-performing balanced fund was Evli Global Multi Manager 75 (9.4%), and the best-performing fixed income fund was Evli European High Yield (5.28%). Evli Swedish Small Cap outperformed its benchmark index by the widest margin (27.1%).

In a fund comparison carried out in September by the independent Morningstar, the average star rating of Evli's funds was 3.5 (3.5). 22 of Evli's 27 funds were included in the comparison. 11 funds in all received the highest or second-highest Morningstar rating.

January-September

Wealth Management operations performed well during the review period, in view of the market conditions. Net revenue from Wealth Management operations grew by 14 percent and was EUR 22.3 million (EUR 19.5 million). The unit's net assets under management totaled EUR 5.5 billion (EUR 4.9 billion) at the end of September, which is 10.7 percent more than a year earlier.

Of Evli's funds, Evli Sweden Equity Index (EUR 161 million) and Evli Europe (EUR 80 million) had made the biggest net subscription gains by the end of September. Evli Euro Liquidity (EUR 725 million) and Evli European High Yield (EUR 536 million) had the most assets at the end of September.

Net subscriptions to fund management companies registered in Finland totaled EUR 3,929.9 million in January-September 2013 (EUR 3,129.7 million). Net subscriptions to Evli's funds in Finland at the end of the third quarter totaled EUR 270.4 million (EUR 71.4 million). Evli Fund Management Company's market share was 4.9 percent at the end of September (4.9 percent). The combined assets of the 27 mutual funds managed by the company were EUR 3,673 million (EUR 3,177 million) and the number of unit holders was 17,020 (16,129).

Evli reinforced its asset management growth strategy, especially in Western Finland, by acquiring a 90 percent holding in Aurator Asset Management Ltd at the beginning of January. This had a positive influence on revenue performance in the review period.

During the review period, Evli merged all of its mutual funds registered in Sweden with its Finnish funds. At the same time, Evli started measures to reorganize its wealth management business in Sweden. In the future, wealth management services in Sweden will be offered through the company Evli Fondbolag Ab (Finland), Stockholmsfilial, and operations at Evli Fonder Ab will be discontinued.

## Markets

| Markets in numbers | 1-9/2013 | 1-9/2012 | Change % | 7-9/2013 | 7-9/2012 | Change % |
|---|---|---|---|---|---|---|
| Net revenue, M€ | 12,5 | 10,2 | 23 % | 3,6 | 2,9 | 28 % |
| Operating profit / loss, M€ | 1,8 | -0,7 | - | 0,5 | -0,5 | - |
| Personnel, at the end of period | 46 | 48 | -4 % | | | |
| | | | | | | |
| Market share (OMX Helsinki), EUR volume, % | 1,2 | 1,2 | | | | |
| Market share (OMX Helsinki), number of trades, % | 1,1 | 1,1 | | | | |

July-September

The trading volume on NASDAQ OMX Helsinki Ltd's stock exchange list increased in the third quarter by 9.3 percent compared with the same period in 2012, and was EUR 23.5 billion. The general index (HEX), which measures the price performance of the stock exchange, rose by 13,3 percent during the same period. Despite the quiet summer season, the Markets unit's net revenue performed well during the review period.

Evli Bank Plc reinforced its capital markets services during the review period by acquiring the non-controlling owners' stake in Evli Options Ltd. Evli now owns the entire stock of the company.

January-September

The net revenue of the Markets unit rose by 23 percent compared with the same period in 2012 and was EUR 12.5 million (EUR 10.2 million). Improved market sentiment had a positive impact on returns. Of the product areas derivative market making, in particular, was very successful. During the review period, product areas other than equity brokerage made up over 50 percent of overall income. Evli has taken active measures to increase the proportion of other areas in its brokerage operations.

## Corporate Finance

| Corporate Finance in numbers | 1-9/2013 | 1-9/2012 | Change % | 7-9/2013 | 7-9/2012 | Change % |
|---|---|---|---|---|---|---|
| Net revenue, M€ | 1,7 | 3,0 | -44 % | 0,5 | 0,3 | 51 % |
| Operating profit / loss, M€ | -1,9 | -1,1 | -67 % | -0,5 | -0,9 | 45 % |
| Personnel, at the end of period | 24 | 28 | -14 % | | | |

July-September

The third quarter started in an expectant mood in the Corporate Finance unit. Towards the end of the quarter, activity increased in both M&A and public space. During the review period, Evli Corporate Finance together with Evli's Markets unit advised POP Bank Group in a bond issue amounting to EUR 35.3 million. Evli Corporate Finance also advised Ingman Group Oy Ab in a mandatory tender offer regarding the shares of Etteplan Oyj, which is listed in NASDAQ OMX Helsinki Ltd. An announcement was made during the review period that Evli Corporate Finance will advise Restamax Ltd and its owners regarding the company's possible listing on NASDAQ OMX Helsinki's main list. Restamax Ltd owns and operates restaurants, cafés and night clubs in Finland.

During the review period, Evli Corporate Finance confirmed 10 new mandates.

January-September

There was less M&A activity in the first half of 2013 compared with the previous year, but the situation improved in the early fall. In the third quarter, interest in M&A activity increased among industrial companies and private equity funds. Favorable stock market performance has also increased interest in stock exchange listing.

The net revenue of the Corporate Finance business unit decreased by 44 percent compared with the previous year and was EUR 1.7 million (EUR 3.0 million). Significant fluctuations in net revenue from one quarter to the next are typical of the Corporate Finance business.

At the beginning of the year, Evli restructured its Corporate Finance unit in Sweden by centralizing its operations into a new company called Evli Corporate Finance AB.

**Evli's Board of Directors and auditors**

The Annual General Meeting (AGM) held on March 6, 2013 re-elected Henrik Andersin, Robert Ingman, Harri-Pekka Kaukonen, Mikael Lilius, Teuvo Salminen and Thomas Thesleff 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.

**Changes in Evli's shares, ownership, and group structure**

Evli Bank Plc's total number of shares changed during the third quarter by a total of 18,135 shares. The change in the number of shares was due to the annulment of treasury shares in the company's possession after 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 after the entry in the Trade Register of new shares subscribed for in private placements carried out in July and August 2013.

The entire share capital of Evli Options Ltd was transferred under the ownership of Evli Bank Plc in July 2013.

Evli Bank Plc acquired Aurator Asset Management Ltd at the beginning of January 2013 with a stake of approximately 90 percent. Evli's Corporate Finance unit in Sweden was incorporated into an independent company at the beginning of the year. Evli owns 75 percent of Evli Corporate Finance AB.

**Evli's share capital and Board authorizations**

On July 12, 2013, Evli Bank's Board of Directors resolved to annul 113,954 Evli shares held by the company. The new number of shares was entered in the Trade Register on September 17, 2013.

Pursuant to the authorization to acquire Evli shares issued by the AGM on March 5, 2012, the company acquired a total of 6,500 shares at the start of 2013. The shares were acquired in accordance with shareholder agreements through changes in ownership.

The Board of Directors did not use the share issue authorization issued by the AGM on March 5, 2012 during the review period.

Evli Bank Plc's AGM resolved on March 6, 2013 to authorize the Board of Directors to decide on issuing shares and stock options and/or issuing special rights entitling the holder to shares pursuant to chapter 10, section 1, of the Limited Liability Companies Act in one or more lots in such a way that the total number of shares granted on the basis of the authorization would be a maximum of three hundred and five thousand five hundred (305,500) 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 in every respect that an AGM is able to decide on such matters. The authorization is valid until further notice, but will expire no later than eighteen (18) months after the decision of the AGM.

During the third quarter, the Board of Directors used the share issue authorization granted by the AGM on March 3, 2013 after a decision was made on July 12, 2013 to offer the company's key employees a total of no more than 48,000 shares, of which 37,400 were subscribed in total. Furthermore, the Board of Directors decided on July 12, 2013 to direct a total of no more than 74,689 shares to minority shareholders of Evli Options Ltd, all of which were subscribed. The issue was the result of a rearrangement in which the entire stock of Evli Options Ltd was transferred under Evli Bank's ownership in July. The new shares subscribed for in the share issues were entered in the trade register on September 17, 2013.

The AGM resolved on March 6, 2013 to authorize the Board of Directors to decide on buying back Evli shares. A maximum of 407,337 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 authorized to buy back Evli shares also in other proportion than 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.

Pursuant to the authorization to acquire Evli shares issued by the AGM on March 6, 2013, the company acquired a total of 16,700 shares during the second quarter of 2013, and a total of 40,625 shares during the third quarter of 2013. The shares were acquired in accordance with shareholder agreements through changes in ownership.

At the end of the review period, the company held a total of 20,000 Evli shares. The total number of shares at the end of the review period was 4,091,509 shares.

There were no changes in the company's share capital during the review period.

**Risk Management**

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

The delta-adjusted price risk of Evli's own investment portfolio and proprietary trading was approximately EUR 6.3 million at the end of September, and a 20 percent negative market movement would have resulted in a scenario loss of approximately EUR 1.2 million. At the end of September, the Treasury unit's interest rate risk was approximately EUR +/- 0.4 million, based on the assumption that market rates rise/fall by one percentage point. Evli's liquidity has remained good.

Evli had no bad or doubtful debts, and its balance sheet is not directly exposed to the credit crisis in Southern Europe.

**Business environment**

Investor sentiment on the financial markets has been positive. This has reflected especially as an increase in activity on the M&A markets and an increase in asset valuations. In traditional equity brokerage, market sentiment remains cautious, and the only change to this has been the momentary acceleration of trading in conjunction with Nokia's divestment. Based on the number of client initiatives, we can conclude that interest in investment activity is increasing. The legal obligation to pay VAT on discretionary asset management services that entered into force at the beginning of May, as well as ambiguities in its interpretation, have added to the uncertainties regarding the near-term performance of the asset management market. Low interest rates are expected to continue to have a negative impact on the interest margins of banks. The consolidation that took place in the investment services market during the first half-year has further reinforced Evli's market position as Finland's leading private bank.

**Outlook**

The company's result is estimated to improve on the previous year. This view is supported by the favorable development of business and the slight improvement in the operating environment during the review period.

*Helsinki, October 25, 2013*

*Board of Directors*

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## EVLI BANK PLC GROUP

| CONSOLIDATED INCOME STATEMENT, M€ | 7-9/ 2013 | 7-9/ 2012 | 1-9/ 2013 | 1-9/ 2012 | 1-12/ 2012 |
|---|---|---|---|---|---|
| Net interest income | 0,1 | 0,9 | 0,3 | 2,8 | 3,1 |
| Commission income and expense, net | 10,2 | 10,0 | 34,4 | 32,4 | 43,3 |
| Net income from securities transactions and foreign exchange dealing | 1,2 | 0,5 | 5,9 | 0,9 | 1,2 |
| Other operating income | 0,0 | 0,0 | 0,3 | 0,1 | 0,7 |
| Administrative expenses | | | | | |
| Personnel expenses | -4,9 | -4,8 | -17,4 | -15,3 | -21,3 |
| Other administrative expenses | -2,9 | -2,8 | -10,6 | -10,5 | -14,3 |
| Depreciation, amortisation and write-down | -1,0 | -1,0 | -3,3 | -3,1 | -4,4 |
| Other operating expenses | -1,0 | -0,9 | -3,3 | -3,1 | -4,5 |
| Impairment losses on loans and other receivables | 0,0 | 0,0 | 0,0 | 0,0 | -0,1 |
| **NET OPERATING PROFIT / LOSS BEFORE PROFITSHARING** | 1,7 | 1,9 | 6,4 | 4,2 | 3,7 |
| Profitsharing | -0,2 | -0,1 | -0,9 | -0,4 | -0,1 |
| **NET OPERATING PROFIT / LOSS** | **1,5** | **1,8** | **5,4** | **3,7** | **3,6** |
| Share of profits (losses) of associates | 0,0 | -0,6 | 0,1 | 0,0 | -0,2 |
| Income taxes* | -0,4 | -0,6 | -1,1 | -1,1 | -1,2 |
| **PROFIT / LOSS FOR FINANCIAL YEAR** | **1,1** | **0,6** | **4,4** | **2,7** | **2,1** |
| Attributable to | | | | | |
| Non-controlling interest | 0,1 | 0,0 | 0,4 | 0,4 | 0,5 |
| Equity holders of parent company | 1,0 | 0,6 | 4,0 | 2,3 | 1,6 |
| | | | | | |
| **PROFIT / LOSS FOR FINANCIAL YEAR** | **1,1** | **0,6** | **4,4** | **2,7** | **2,1** |
| | | | | | |
| **INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY:** | | | | | |
| **Items, that will not be reclassified to profit or loss** | 0,0 | 0,0 | -0,1 | 0,0 | 0,0 |
| **Income and expenses recognised directly in equity** | 0,0 | 0,0 | -0,1 | 0,0 | *0,0* |
| | | | | | |
| **Items that are or may be reclassified subsequently to profit or loss** | | | | | |
| Foreign currency translation differences - foreign operations | 0,1 | 0,0 | -0,1 | 0,0 | 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** | **0,1** | **0,0** | **-0,1** | **0,0** | *0,0* |
| | | | | | |
| | 0,1 | 0,0 | -0,1 | 0,0 | |
| **TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD** | **1,2** | **0,6** | **4,4** | **2,7** | **2,2** |
| Attributable to | | | | | |
| Non-controlling interest | 0,1 | 0,0 | 0,4 | 0,4 | 0,5 |
| Equity holders of parent company | 1,1 | 0,6 | 3,9 | 2,3 | 1,7 |

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

| CONSOLIDATED INCOME STATEMENT, M€ | 7-9/ 2013 | 4-6/ 2013 | 1-3/2013 | 10-12/2012 | 7-9/ 2012 |
|---|---|---|---|---|---|
| Net interest income | 0,1 | 0,1 | 0,1 | 0,4 | 0,9 |
| Commission income and expense, net | 10,2 | 12,3 | 11,9 | 10,9 | 10,0 |
| Net income from securities transactions and foreign exchange dealing | 1,2 | 3,2 | 1,5 | 0,3 | 0,5 |
| Other operating income | 0,0 | 0,2 | 0,1 | 0,6 | 0,0 |
| Administrative expenses | | | | | |
| Personnel expenses | -4,9 | -6,2 | -6,3 | -6,1 | -4,7 |
| Other administrative expenses | -2,9 | -3,9 | -3,8 | -3,8 | -2,8 |
| Depreciation, amortisation and write-down | -1,0 | -1,1 | -1,2 | -1,2 | -1,0 |
| Other operating expenses | -1,0 | -1,1 | -1,2 | -1,4 | -0,9 |
| Impairment losses on loans and other receivables | 0,0 | 0,0 | 0,0 | -0,1 | 0,0 |
| **NET OPERATING PROFIT / LOSS BEFORE PROFITSHARING** | 1,7 | 3,5 | 1,1 | -0,5 | 1,9 |
| Profitsharing | -0,2 | -0,7 | 0,0 | 0,3 | -0,1 |
| **NET OPERATING PROFIT / LOSS** | **1,5** | **2,8** | **1,1** | **-0,2** | **1,8** |
| Share of profits (losses) of associates | 0,0 | 0,1 | 0,0 | -0,2 | -0,6 |
| Income taxes* | -0,4 | -0,4 | -0,3 | -0,1 | -0,6 |
| **PROFIT / LOSS FOR FINANCIAL YEAR** | **1,1** | **2,5** | **0,9** | **-0,5** | **0,6** |
| Attributable to | | | | | |
| Non-controlling interest | 0,1 | 0,1 | 0,3 | 0,1 | 0,0 |
| Equity holders of parent company | 1,0 | 2,4 | 0,6 | -0,6 | 0,6 |
| | | | | | |
| **PROFIT / LOSS FOR FINANCIAL YEAR** | **1,1** | **2,5** | **0,9** | **-0,5** | **0,6** |
| | | | | | |
| **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 | 0,1 | -0,1 | -0,1 | 0,0 | 0,0 |
| Tax c Net amount tranferred to profit or loss | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| **PROFIT / LOSS FOR FINANCIAL YEAR** | **0,1** | **-0,1** | **-0,1** | **0,0** | **0,0** |
| | | | | | |
| | 0,1 | -0,1 | -0,1 | 0,0 | 0,0 |
| **TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD** | **1,2** | **2,4** | **0,8** | **-0,5** | **0,6** |
| Attributable to | | | | | |
| Non-controlling interest | 0,1 | 0,1 | 0,3 | 0,1 | 0,0 |
| Equity holders of parent company | 1,1 | 2,3 | 0,5 | -0,6 | 0,6 |

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

| CONSOLIDATED BALANCE SHEET, M€ | 30.9.2013 | 30.9.2012 | 31.12.2012 |
|---|---|---|---|
| **ASSETS** | | | |
| Liquid assets | 108,1 | 90,5 | 118,7 |
| Debt securities eligible for refinancing with central banks | 125,1 | 145,9 | 154,1 |
| Claims on credit institutions | 77,3 | 14,3 | 8,8 |
| Claims on the public and public sector entities | 62,8 | 60,3 | 62,1 |
| Debt securities | 48,8 | 104,2 | 58,3 |
| Shares and participations | 42,4 | 34,4 | 44,3 |
| Participating interests | 3,5 | 4,0 | 3,7 |
| Derivative contracts | 14,5 | 10,5 | 12,2 |
| Intangible assets | 12,5 | 12,6 | 11,8 |
| Property, plant and equipment | 3,3 | 2,9 | 3,1 |
| Other assets | 166,8 | 135,3 | 114,0 |
| Accrued income and prepayments | 3,4 | 3,6 | 3,4 |
| Deferred tax assets | 0,7 | 1,2 | 1,0 |
| **TOTAL ASSETS** | **669,3** | **619,7** | **595,6** |

| CONSOLIDATED BALANCE SHEET, M€ | 30.9.2013 | 30.9.2012 | 31.12.2012 |
|---|---|---|---|
| **LIABILITIES** | | | |
| Liabilities to credit institutions and central banks | 10,9 | 6,3 | 18,3 |
| Liabilities to the public and public sector entities | 323,9 | 312,2 | 301,6 |
| Debt securities issued to the public | 73,2 | 63,3 | 62,9 |
| Derivative contracts and other trading liabilities | 25,8 | 22,7 | 26,5 |
| Other liabilities | 174,6 | 155,4 | 125,6 |
| Accrued expenses and deferred income | 10,0 | 9,3 | 10,8 |
| Deferred tax liabilities | 0,8 | 0,6 | 0,5 |
| | **619,2** | **569,7** | **546,3** |
| Equity to holders of parent company | 49,2 | 49,1 | 48,3 |
| Non-controlling interest in capital | 0,8 | 0,8 | 0,9 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **669,3** | **619,7** | **595,6** |

## 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 | 31.12.2011 | 30,2 | 1,8 | 10,8 | 0,1 | -0,2 | 7,2 | 50,0 | 0,6 | 50,6 |
| Translation difference | | | | | | 0,6 | | 0,6 | | 0,6 |
| Profit/loss for the period | | | | | | | 2,3 | 2,3 | 0,4 | 2,7 |
| Dividends | | | | | | | -2,5 | -2,5 | -0,2 | -2,7 |
| Share issue | | | | 0,4 | | | | 0,4 | | 0,4 |
| Acquisition of own shares | | | | | | | -0,9 | -0,9 | | -0,9 |
| Other changes | | | | | | | | 0,0 | | 0,0 |
| Equity capital | 30.9.2012 | 30,2 | 1,8 | 11,1 | 0,1 | 0,4 | 5,5 | 49,1 | 0,8 | 49,9 |
| Translation difference | | | | | | -0,1 | | -0,1 | | -0,1 |
| Profit/loss for the period | | | | | | | -0,1 | -0,1 | | -0,1 |
| Acquisition of own shares | | | | | | | -0,8 | -0,8 | | -0,8 |
| Other changes | | | | | | | | 0,0 | | 0,0 |
| Equity capital | 31.12.2012 | 30,2 | 1,8 | 11,1 | 0,1 | 0,3 | 4,8 | 48,3 | 0,9 | 49,2 |
| Translation difference | | | | | | -0,1 | | -0,1 | | -0,1 |
| Profit/loss for the period | | | | | | | 4,0 | 4,0 | 0,4 | 4,4 |
| Dividends | | | | | | | -2,6 | -2,6 | -0,5 | -3,1 |
| Share issue | | | | 1,6 | | | | 1,6 | | 1,6 |
| Acquisition of own shares | | | | | | | -0,8 | -0,8 | | -0,8 |
| Other changes | | | | 0,1 | -0,1 | | -1,2 | -1,2 | | -1,2 |
| Equity capital | 30.9.2013 | 30,2 | 1,8 | 12,8 | 0,0 | 0,2 | 4,1 | 49,2 | 0,8 | 50,0 |

| CASH FLOW STATEMENT, M€ | 1-9/ 2013 | 1-9/ 2012 | 1-12/ 2012 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Interest and commission received | 42,2 | 43,0 | 55,4 |
| Interest and commissions paid | -4,1 | -5,6 | -6,9 |
| Cash payments to employees and suppliers | -34,5 | -33,1 | -40,7 |
| Increase(-) or decrease(+) in operating assets: | | | |
| Net change in trading book assets and liabilities | 9,2 | -44,7 | -15,8 |
| Deposits held for regulatory or monetary control purposes | -22,8 | -3,4 | -2,7 |
| Funds advanced to customers | 43,6 | -56,6 | -65,2 |
| Issue of loan capital | 10,3 | -5,4 | -5,8 |
| Net cash from operating activities before income taxes | 43,9 | -105,7 | -81,7 |
| Income taxes | -0,5 | -0,5 | -0,1 |
| *Net cash used in operating activities* | 43,4 | -106,2 | -81,8 |
| **Cash flows from investing activities** | | | |
| Proceeds from sales of subsidiaries and associates | -3,4 | 0,5 | 0,5 |
| Acquisition of property, plant and equipment and intangible assets | -1,5 | -0,9 | -1,6 |
| *Net cash used in investing activities* | -4,8 | -0,4 | -1,0 |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares capital | 0,7 | 0,0 | 0,4 |
| Purchase of own shares | -0,8 | -0,6 | -1,1 |
| Payment of finance lease liabilities | -0,1 | -0,2 | -0,2 |
| Dividends paid | -3,2 | -2,7 | -2,7 |
| *Net cash from financing activities* | -3,4 | -3,5 | -3,7 |
| Net increase / decrease in cash and cash equivalents | 35,1 | -110,1 | -86,6 |
| Cash and cash equivalents at beginning of period | 123,1 | 209,7 | 209,7 |
| **Cash and cash equivalents at end of period** | 158,2 | 99,7 | 123,1 |

| 2013 | Markets | Corporate Finance | Wealth Management | Group Operations | Unallocated | Group |
|---|---|---|---|---|---|---|
| **SEGMENT INCOME STATEMENT, M€** | 1-9/ 2013 | 1-9/ 2013 | 1-9/ 2013 | 1-9/ 2013 | | 1-9/ 2013 |
| REVENUE | | | | | | |
| External sales | 12,8 | 1,7 | 22,3 | 3,9 | 0,3 | 40,9 |
| Inter-segment sales | -0,3 | 0,0 | 0,0 | 0,3 | 0,0 | 0,0 |
| Total revenue | 12,5 | 1,7 | 22,3 | 4,2 | 0,3 | 40,9 |
| RESULT | | | | | | |
| Segment operating expenses | -8,5 | -3,5 | -14,8 | -8,4 | -0,2 | -35,4 |
| Corporate expenses | -2,3 | -0,2 | -4,0 | 6,5 | 0,0 | 0,0 |
| Operating profit | 1,8 | -2,0 | 3,5 | 2,2 | 0,0 | 5,4 |
| | | | | | 0,1 | 0,1 |
| Income taxes | | | | | -1,1 | -1,1 |
| Segment profit/loss after taxes | 1,8 | -2,0 | 3,5 | 2,2 | -1,1 | 4,4 |
| **SEGMENT BALANCE SHEET** | 30.9.2013 | 30.9.2013 | 30.9.2013 | 30.9.2013 | | 30.9.2013 |
| Segment assets | 239,1 | 1,8 | 21,5 | 440,9 | | |
| Unallocated corporate assets | | | | | -34,1 | |
| Consolidated total assets | | | | | | 669,3 |
| Segment liabilites | 177,2 | 0,6 | 9,4 | 449,6 | | |
| Unallocated corporate liabilities | | | | | -17,5 | |
| Consolidated total liabilities | | | | | | 619,2 |

| 2012 | Markets | Corporate Finance | Wealth Management | Group Operations | Unallocated | Group |
|---|---|---|---|---|---|---|
| **SEGMENT INCOME STATEMENT, M€** | 1-9/ 2012 | 1-9/ 2012 | 1-9/ 2012 | 1-9/ 2012 | | 1-9/ 2012 |
| REVENUE | | | | | | |
| External sales | 10,6 | 3,0 | 19,5 | 2,9 | 0,2 | 36,1 |
| Inter-segment sales | -0,4 | 0,0 | 0,0 | 0,4 | 0,0 | 0,0 |
| Total revenue | 10,2 | 3,0 | 19,5 | 3,3 | 0,2 | 36,1 |
| RESULT | | | | | | |
| Segment operating expenses | -9,3 | -3,6 | -13,3 | -6,1 | -0,2 | -32,4 |
| Unallocated corporate expenses | -1,7 | -0,5 | -2,8 | 5,1 | 0,0 | 0,0 |
| Operating profit | -0,7 | -1,1 | 3,3 | 2,2 | 0,0 | 3,7 |
| Income taxes | | | | | -1,1 | -1,1 |
| Segment profit/loss after taxes | -0,7 | -1,1 | 3,3 | 2,2 | -1,0 | 2,7 |
| **SEGMENT BALANCE SHEET** | 30.9.2012 | 30.9.2012 | 30.9.2012 | 30.9.2012 | | 30.9.2012 |
| Segment assets | 222,3 | 1,7 | 20,0 | 409,8 | | |
| Unallocated corporate assets | | | | | -34,1 | |
| Consolidated total assets | | | | | | 619,7 |
| Segment liabilities | 163,9 | 0,6 | 8,6 | 415,7 | | |
| Unallocated corporate liabilities | | | | | -19,1 | |
| Consolidated total liabilities | | | | | | 569,7 |

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

| KEY FIGURES DESCRIBING THE FINANCIAL PERFORMANCE OF THE GROUP | 1-9/ 2013 | 1-9/ 2012 | 1-12/ 2012 |
|---|---|---|---|
| Net revenue, M€ | 40,9 | 36,1 | 48,3 |
| Operating profit / loss, M€ | 5,4 | 3,7 | 3,6 |
| % of net revenue | 13,3 | 10,3 | 7,4 |
| Profit / Loss for financial year, M€ | 4,4 | 2,7 | 2,1 |
| % of net revenue | 10,8 | 7,4 | 4,4 |
| Return on equity % (ROE) * | 11,6 | 7,1 | 4,7 |
| Return on assets % (ROA) * | 0,9 | 0,6 | 0,4 |
| Equity/total assets ratio % | 7,5 | 8,1 | 8,3 |
| Expense ratio (operating costs to net revenue) | 0,87 | 0,90 | 0,93 |
| Personnel in end of period | 247 | 244 | 243 |

*annualised

| Evli Group´s capital adecuacy | 30.9.2013 | 30.9.2012 | 31.12.2012 |
|---|---|---|---|
| Own assets, M€ * | 34,1 | 35,0 | 34,9 |
| Risk-weighted items total for market- and credit risks, M€ | 151,5 | 144,2 | 137,4 |
| Capital adequacy ratio, % | 13,5 | 14,4 | 14,6 |
| Evli Bank Plc:s adequacy ratio, % | 18,2 | 18,6 | 18,7 |
| Own funds surplus M€ | 13,8 | 15,6 | 15,7 |
| Own funds in relation to the minimum capital requirement | 1,7 | 1,8 | 1,8 |

** includes only prime own assets*

**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, %

$$= \frac{\text{Equity capital + Appropriations}}{\text{Total assets}} \times 100$$

Expense ratio as earnings to operating costs

$$= \frac{\text{Administrative expenses + depreciation and impairment charges+ other operating expenses}}{\text{Net interest income + net commission income + net income from securities transactions and foreign exchange dealing + other operating income}} \times 100$$

## 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 2012. Evli Bank Plc applies the standard IFRS 13 Fair Value Measurement since 1.1.2013.

| NOTES TO BALANCE SHEET, M€ | 30.9.2013 | 30.9.2012 | 31.12.2012 |
|---|---|---|---|
| **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 | 15,0 | 1,0 | 1,0 |
| Bonds | 58,3 | 62,3 | 61,9 |
| Debt securities issued to the public | 73,2 | 63,3 | 62,9 |

| Breakdown by maturity | less than 3 months | 3-12 months | 1-5 years |
|---|---|---|---|
| Debt securities issued to the public | 5,9 | 34,5 | 32,8 |

| Changes in bonds issued to the public | 30.9.2013 | 30.9.2012 | 31.12.2012 |
|---|---|---|---|
| Issues | 1,3 | 0,0 | 0,0 |
| Repurchases | 6,0 | 3,2 | 4,2 |
| **Off-balance sheet commitments** | | | |
| Commitments given to a third party on behalf of a customer | 2,4 | 2,9 | 4,1 |
| Irrevocable commitments given in favour of a customer | 0,6 | 0,9 | 0,9 |
| Guarantees on behalf of others | 0,6 | 0,7 | 0,6 |
| Unused credit facilities | 2,0 | 1,5 | 1,5 |

| 1-9/ 2013 | | | |
|---|---|---|---|
| **Transactions with related parties** | Associated companies | Group management | Group management |
| Sales | 0,0 | 0,0 | 0,0 |
| Purchases | 0,0 | 0,0 | 0,0 |
| Receivables | 0,0 | 0,1 | 0,1 |

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

## Derivative contracts

| Overall effect of risks associated with derivative contracts | | | | 2013 |
|---|---|---|---|---|
| Nominal value of underlying , brutto | | | | |
| | Remaining maturity | | | |
| | Less than 1 year | 1-5 years | 5-15 years | Fair value (+/-) |
| **Held for trading** | | | | |
| Interest rate derivatives | | | | |
| Futures | 0,0 | 0,0 | 0,0 | 0,0 |
| Currency-linked derivatives | 616,9 | 0,0 | 0,0 | 0,1 |
| Equity-linked derivatives | | | | |
| Futures | 8,0 | 0,0 | 0,0 | -0,1 |
| Options bought | 127,1 | 41,0 | 0,0 | 15,1 |
| Options sold | 126,2 | 46,1 | 0,0 | -16,6 |
| Other derivatives | | | | |
| Held for trading, total | 878,1 | 87,1 | 0,0 | -1,6 |
| Derivative contracts, total | 878,1 | 87,1 | 0,0 | -1,6 |

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 | |
|---|---|---|---|---|
| Financial assets: | 2013 | 2013 | 2013 | |
| Shares and participations classified as held for trading | 27,0 | 1,4 | 0,1 | 28,5 |
| Shares and participations, other | 7,8 | 0,0 | 6,1 | 13,9 |
| Debt securities | 147,8 | 26,0 | 0,2 | 173,9 |
| Positive market values from derivatives | 6,6 | 0,0 | 7,9 | 14,5 |
| Total financial assets held at fair value | 189,2 | 27,4 | 14,2 | 230,8 |
| | | | | |
| Financial liabilities: | | | | |
| Shares and participations classified as held for trading | 8,5 | 0,0 | 1,2 | 9,7 |
| Negative market values from derivatives | 9,1 | 0,0 | 6,9 | 16,1 |
| Total financial liabilities held at fair value | 17,6 | 0,0 | 8,2 | 25,8 |

**Explanation of fair value hierarchies:**

Level 1

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

Level 2

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

Level 3

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

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

Shares and participations classified in level 3 are usually instruments which are not publicly traded, like venture capital funds and real estate funds.
Derivatives in level 2 or 3 are derivatives whose values are calculated with pricing models widely in use, like Black-Scholes.
Derivative valuations for level 3 instruments contain inputs (volatility and dividend estimate) which are not directly observable in the market.
Debt securities valuations that are obtained from markets that are not fully active, have a fair value level hierarchy of 2. Level 3 valuations for debt securities are valuations received directly from the arranger of the issue.