31 July 2009

# EVLI BANK INTERIM REPORT 1-6/2009

- The Group's profit for the first half-year improved significantly on the comparison period and was EUR 2.0 million (1-6/2008: EUR 0.2 million).
- The Group's profit before taxes and profit sharing with employees was EUR 4.4 million, an increase of EUR 3.1 million on the corresponding period of 2008 (EUR 1.3 million).
- The Group's net revenue in the review period was EUR 26 million (EUR 30.6 million), a decrease of 15 percent from the corresponding period of the previous year.
- As a result of the efficiency improvement measures carried out in 2008, the Group's annual fixed costs are down by over EUR 15 million.
- The Group's assets under management totaled EUR 3.8 billion (EUR 4.7 billion) at the end of June.
- Evli Bank relinquished its holding in the associate Nordic Partners Inc during the review period.
- The Evli Group had no credit losses during the review period.
- Evli Bank's liquidity is solid.

| KEY FIGURES | 4-6/ 2009 | 4-6/ 2008 | 1-6/ 2009 | 1-6/ 2008 | 1-12/ 2008 |
|---|---|---|---|---|---|
| Sales, M€ | 16,2 | 14,9 | 27,5 | 32,9 | 60,5 |
| Net revenue, M€ | 15,4 | 14,0 | 26,0 | 30,6 | 56,2 |
| Operating profit / loss, M€ | 3,1 | -1,4 | 3,0 | 0,7 | -0,7 |
| Profit / Loss for financial year, M€ | 2,3 | -1,4 | 2,0 | 0,2 | -1,1 |
| Operating profit / loss % of net revenue | 20,4 % | -10,3 % | 11,6 % | 2,3 % | -1,3 % |
| Personnel in end of period | | | 285 | 366 | 295 |

## EVLI BANK PLC

Evli Bank Plc is an independent investment bank whose clients are entrepreneurs, corporate executives and investment professionals. Evli was established in 1985, and has ever since been a pioneer and trailblazer in the rapidly developing capital markets. Evli owes its leading position to its strong expertise and experience, and its ability to find new solutions for clients in fluctuating markets. In order to provide its clients with maximum added value, Evli builds long-term client relationships that are based on mutual trust.

Evli's primary market is the Baltic Sea region, where it operates in Finland, Sweden, Estonia, Lithuania and Russia. Evli Group's equity capital is EUR 56.6 million and the BIS capital adequacy ratio stood at 15.3% on 30 June 2009. Evli Group employs approximately 290 people.

**EVLI PANKKI OYJ**
Aleksanterinkatu 19 A, PL 1081
FIN-00101 Helsinki
Vaihde (09) 476 690, fax (09) 661 387
Y-tunnus: 0533755-0, Kotipaikka: Helsinki
www.evli.com

**EVLI BANK ABP**
Alexandersgatan 19 A, PB 1081,
FIN-00101 Helsingfors
Växel +358-9-476 690, Fax +358-9-661 387
FO-nummer: 0533755-0, Hemort: Helsingfors
www.evli.com

**EVLI BANK PLC**
Aleksanterinkatu 19 A, P. O. Box 1
FIN-00101 Helsinki
Tel +358-9-476 690, Telefax +358-9-661 387
Business ID: 0533755-0, Domicile: Helsinki
www.evli.com

**Market performance**

The continued fall in equity prices during the year's first months turned to a sharp rise in March which continued until early June. According to the MSCI global index, equity prices rose by 3.2 percent in the first half-year. During this period, the OMX Helsinki CAP index which depicts the Finnish equity market rose by 8.8 percent, the Stoxx index which measures the European equity market rose by 3.8 percent and the S&P 500 index which reflects the U.S. equity market rose by 1.8 percent. The emerging equity markets improved by as much as 33.3 percent during the first half-year.

Signs of economic recovery, particularly in the U.S. and China, raised hopes that the global recession could be over by the end of the year. The macroeconomic figures received during the spring were a positive surprise compared with the forecast. Indications that the financial crisis is easing also boosted investors' confidence.

In the spring, the central banks continued exercising an accommodative monetary policy to ease the situation of the credit markets. The European Central Bank lowered its refinancing rate twice during the review period, to end at 1.0 percent. The yield on Germany's 10-year government bonds rose during the spring to reach 3.39 percent at the end of June. Credit risk decreased in all the fixed income markets, and liquidity improved noticeably. Corporate bonds, whose yield spreads against government bonds narrowed substantially, are a good example of this.

**Revenue performance**

The Group's business environment remained challenging throughout the review period. The Evli Group's net revenue fell by 15 percent from the previous year's figure to EUR 26 million (EUR 30.6 million). The decrease in net revenue was attributable above all to the reduction in commission income due to the market conditions. The net revenue for the first half-year was also affected by negative changes in the fair value recognized for private equity investments owned by the Group. Correspondingly, the Group's Treasury operations had a positive effect on the growth of the Group's net interest income and net income from securities transactions and foreign exchange dealing. This income also effected the Group's operating profit positively during the review period. The Group's investments are valued on the basis of market quotations.

The net revenue of the Wealth Management unit fell by 32 percent from the previous year's level. This was due to the drop in the market value of assets under management, and the consequent decrease in the unit's commission income accrued.

The net revenue of the Markets unit fell by about 27 percent from the corresponding period of 2008. This decrease was primarily due to the market-induced fall in commission income.

Market conditions also affected the Corporate Finance unit, whose net revenue was down by 51 percent from the level of the corresponding period of 2008. Significant net revenue fluctuations from one quarter to the next are typical of the Corporate Finance business. The unit's mandate base is at a satisfactory level.

## Result and cost structure

The Group's profit before taxes and profit sharing with employees for the review period was EUR 4.4 million (EUR 1.3 million). The profit before appropriations and taxes was EUR 3.0 million (EUR 0.7 million). The Group's income/expense ratio averaged 1.1 compared with 1.0 in the previous year.

For a number of years already, the Group has been running a project aimed at increasing operational efficiency by developing processes and the information systems that support these processes. In addition, two separate programs were implemented in 2008 to reduce the Group's cost structure. As a result of these measures, the Group's fixed costs have decreased by 26 percent since the beginning of 2009 compared with the corresponding period of 2008. The Group's annual costs will be over EUR 15 million lower than in 2008.

## Balance sheet and funding

The Group's equity was EUR 56.6 million at the end of the review period. In the Basel II capital adequacy calculation, Evli applies the standardized approach (capital requirement for credit risk) and the basic indicator approach (capital requirement for operational risk). The Group's capital adequacy ratio of 15.2 percent clearly exceeds the regulator's requirement (8 percent).

| Total tier 1 capital | 30.6.2009 | 30.6.2008 |
|---|---|---|
| Share capital | 30,2 | 30,2 |
| Funds total | 24,8 | 20,4 |
| Minority interest | 0,8 | 0,4 |
| *Decreases:* | | |
| Intangible assets | 9,9 | 8,9 |
| Other decreases | 1,9 | 2,4 |
| Total tier 1 capital | 44,1 | 39,8 |

Evli Bank has no tier 2 capital

| Minimum requirement of own funds | | |
|---|---|---|
| Minimun capital adequacy requirement by asset group, standard credit risk method (€ million): | Min. requirement | Risk-weighted value |
| Claims from the state and central banks | 0,0 | 0,0 |
| Claims from regional governments and local authorities | 0,0 | 0,0 |
| Claims from credit institutions and investment firms | 5,7 | 71,2 |
| Investments in mutual funds | 1,2 | 15,5 |
| Claims secured with property | 0,1 | 1,8 |
| Claims from corporate customers | 0,4 | 5,2 |
| Items with high risk, as defined by the authorities | 0,5 | 6,4 |
| Matured receivables | 0,0 | 0,0 |
| Other items | 2,8 | 35,1 |
| Minimum amount of own funds, market risk, € million | 2,9 | 35,7 |
| Minimum amount of own funds, operational risk, € million | 9,6 | 119,9 |
| Total | 23,3 | 290,8 |

The Group's funding from the public and credit institutions decreased by 38 percent compared with the first half of 2008. The company's loan portfolio decreased by 12 percent to approximately EUR 44 million. The ratio of the Group's lending to Evli Bank's deposits from the public was 15 percent. The Group's liquidity is solid.

**Employees and organization**

The Group had 285 employees (366) at the end of the review period. This represented a year-on-year decrease of 81 people, or 22 percent of the total. 70.5 percent of the personnel were employed in Finland and 29.5 percent abroad.

At the end of the period, 74 percent (73 %) of employees worked in sales and customer service, while 26 percent (27%) worked in administration.

**Business areas**

**Wealth Management**

| Wealth Management in numbers | 1-6/2009 | 1-6/2008 | Change % |
|---|---|---|---|
| Net revenue, M€ | 10,1 | 14,7 | -32 % |
| Operating profit / loss, M€ | 0,8 | 1,3 | -41 % |
| Personnel, at the end of period | 95 | 122 | -22 % |
| Assets under management (Net), at the end of period, M€ | 3 835 | 4 691 | -18 % |
| Market share (Evli Fund Company), % | 4,6 | 4,6 | |
| Net subscriptions to own funds, M€ | -17,0 | ,56,5 | |
| Average rating of Evli funds in MorningStar | 3,29 | 3,94 | |

The Wealth Management unit performed reasonably well during the review period, in view of the market conditions. The unit's net assets under management totaled EUR 3.8 billion at the end of June (EUR 4.7 billion). Its net assets under management increased by EUR 0.2 billion on the end of March. Net subscriptions to Evli's funds totaled EUR -17.0 million (EUR -56.5 million) in January-June.

In the June fund comparison by the independent Morningstar, the average star rating of Evli's funds was 3.29. Of Evli's 25 funds, 17 were included in the comparison. Nine funds in all received the highest or second highest Morningstar rating.

In a comparison of the returns of individual funds in January-June, the best-performing fixed income fund was Evli Corporate Bond (which outperformed the benchmark index by 9.60%) and the best-performing equity fund was Evli Sustainable Climate (which outperformed the benchmark index by 8.31%).

During the review period Evli European Smaller Companies was merged into Mutual Fund Evli Europe in accordance with an earlier decision.

Evli Fund Management Company's market share remained the same at 4.6 percent.

## Markets

| Markets in numbers | 1-6/2009 | 1-6/2008 | Change % |
|---|---|---|---|
| Net revenue, M€ | 7,1 | 9,8 | -27 % |
| Operating profit / loss, M€ | -1,6 | -1,4 | 12 % |
| Personnel, at the end of period | 71 | 84 | -15 % |
| | | | |
| Market share (OMX Helsinki), EUR volume, % | 4,2 | 7,6 | |
| Market share (OMX Helsinki), number of trades, % | 3,2 | 4,3 | |

The decrease in the unit's commission income was due to the general decline in market values on the stock exchange and reduced client activity. Review-period transactions involving substantial blocks of shares included Lassila & Tikanoja plc (2.6% of the company) and Huhtamäki Oyj (2.2% of the company).

Evli accounted for 4.24 percent of Helsinki stock exchange trading in the review period.

## Corporate Finance

| Corporate Finance in numbers | 1-6/2009 | 1-6/2008 | Change % |
|---|---|---|---|
| | | | |
| Net revenue, M€ | 2,1 | 4,3 | -51 % |
| Operating profit / loss, M€ | -1,2 | -0,1 | 876 % |
| Personnel, at the end of period | 52 | 57 | -9 % |

During the review period the Corporate Finance unit advised i.a. FSN Capital Partners on the acquisition of Tactel AB, Technology Nexus AB on the mandatory tender offer by Ponderus Technology AB, and TeliaSonera in its outsourcing of Managed Workplace Stations to Logica. The unit was also selected as an advisor to the Lithuanian government in its new nuclear power plant project. The unit's mandate base is at a satisfactory level. Many projects have been delayed due to the market uncertainty.

## Evli's Board of Directors and auditors

The Annual General Meeting held on March 4, 2009 re-elected Henrik Andersin, Pekka Hietala, Tapio Hintikka, Folke Husell, Harri-Pekka Kaukonen, Timo Korvenpää and Thomas Thesleff to Evli Bank Plc's Board of Directors. During the review period, Henrik Andersin continued as Chairman of the Board and Tapio Hintikka as Vice Chairman.

The AGM elected KPMG Oy Ab, Authorized Public Accountants, as the company's auditor and Solveig Törnroos-Huhtamäki, APA, as the principally responsible auditor.

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

The number of Evli Bank Plc's shares increased by 5,000 during the review period, due to two share issues.

Evli Bank relinquished its 33.3 percent holding in the associate Nordic Partners Inc, selling the holding to Pareto Securities AS. However, Evli will continue to serve its North American clients through a cooperation agreement with Nordic Partners.

During the review period (29 May 2009), Evli Bank Plc also closed its Luxembourg branch office.

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

Evli Bank's Board of Directors decided on April 27, 2009 to annul 100,000 Evli shares held by the company. The new share amount was entered in the Trade Register on May 14, 2009.

Pursuant to the authorization to acquire Evli shares issued by the AGM on March 3, 2008, the company acquired 32,454 Evli shares at the start of 2009. The shares were acquired in accordance with shareholder agreements through changes in ownership.

Evli Bank's AGM resolved on March 4, 2009 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 eight hundred and forty thousand (840,000) shares. Based on the authorization, the Board of Directors is entitled to decide on issuing shares and stock options and/or issuing special rights entitling the holder to shares pursuant to chapter 10, section 1 of the Limited Liability Companies Act in the same way as a General Meeting could decide on such matters, in every respect. The authorization remains valid until further notice, but will expire no later than eighteen (18) months after the decision of the General Meeting.

The Board acted on the AGM's share issue authorization of March 4, 2009 on two (2) occasions in the review period by offering, pursuant to decisions of April 27 and May 29, 2009 respectively, 100,000 of the company's new shares to key employees for subscription, of which 80,000 were subscribed, and 30,000 of the company's new shares to key employees for subscription, of which 25,000 were subscribed. The new shares were entered in the Trade Register on May 14 and June 26, 2009.

The AGM resolved on March 4, 2009 to authorize the Board of Directors to decide on buying back Evli shares. A maximum of 421,682 shares may be bought back pursuant to the authorization, and they may be bought back in one or more lots, provided that after the purchase the total number of shares in the possession of or held as pledges by the company and its subsidiaries does not exceed ten (10) percent of the company's total shares. The Board of Directors is also authorized to buy back Evli shares other than in proportion to the shareholders' holdings, and to determine the order of buying back the shares. The authorization will expire eighteen (18) months after the decision of the Annual General Meeting.

The Board acted on the AGM's Evli share buy-back authorization of March 4, 2009 on two (2) occasions by buying back 5,000 Evli shares in the first quarter and 33,900 Evli shares in the second quarter. 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 114,330 Evli shares. The total number of shares at the end of the review period was 4,221,829 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 policies, 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. Risk management is the responsibility of every Evli employee. The Group 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 10 million at the end of June, i.e. nearly the same as at the end of March, and a 20 percent negative market movement would have resulted in a scenario loss of approximately EUR 2 million. The figures include the pension fund's investments. At the end of June, the Treasury's interest rate risk was approximately EUR + /- 890,000, assuming that market rates rise/fall by one percentage point. Evli's liquidity has remained very good.

**Outlook**

The company expects its result to be up on the previous year and profitable. The result for the first half of the year is a consequence of the actions taken inside the company as well as the stabilizing of the financial markets. In case there is a turn for the better in the economic situation, the company's future result will be supported even further.

*Helsinki, July 31, 2009*

*Board of Directors*

**Further information:**

CEO Maunu Lehtimäki
tel. +358 (0)9 4766 9304 or +358 (0)50 553 3000

CFO Johanna Lamminen
tel. +358 (0)9 4766 9861 or +358 (0)40 848 4448

www.evli.com

EVLI BANK PLC

| CONSOLIDATED INCOME STATEMENT, M€ | 4-6/ 2009 | 4-6/ 2008 | 1-6/ 2009 | 1-6/ 2008 | 1-12/ 2008 |
|---|---|---|---|---|---|
| Net interest income | 0,5 | -0,5 | 2,2 | -0,5 | 2,8 |
| Commission income and expense, net | 9,3 | 13,1 | 16,2 | 26,3 | 45,8 |
| Net income from securities transactions and foreign exchange dealing | 5,5 | 1,2 | 7,0 | 4,5 | 7,0 |
| Other operating income | 0,1 | 0,0 | 0,4 | 0,4 | 0,5 |
| Administrative expenses | | | | | |
| Personnel expenses | -5,8 | -8,2 | -11,2 | -15,3 | -30,5 |
| Other administrative expenses | -3,9 | -5,7 | -7,7 | -11,0 | -20,2 |
| Depreciation, amortisation, and write-down | -0,6 | -0,6 | -1,2 | -1,1 | -2,3 |
| Other operating expenses | -0,6 | -1,0 | -1,4 | -1,8 | -3,5 |
| NET OPERATING PROFIT / LOSS BEFORE PROFITSHARING | 4,5 | -1,6 | 4,4 | 1,3 | -0,3 |
| Profitsharing | -1,3 | 0,2 | -1,4 | -0,6 | -0,4 |
| NET OPERATING PROFIT / LOSS | 3,1 | -1,4 | 3,0 | 0,7 | -0,7 |
| Income taxes* | -0,9 | 0,0 | -1,0 | -0,5 | -0,4 |
| PROFIT / LOSS FOR FINANCIAL YEAR | 2,3 | -1,4 | 2,0 | 0,2 | -1,1 |
| Attributable to | | | | | |
| Minority interest | 0,3 | -0,2 | 0,4 | 0,1 | 0,5 |
| Equity holders of parent company | 2,0 | -1,3 | 1,6 | 0,2 | -1,6 |
| | | | | | |
| PROFIT / LOSS FOR FINANCIAL YEAR | 2,3 | -1,4 | 2,0 | 0,2 | -1,1 |
| | | | | | |
| INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY: | | | | | |
| Foreign currency translation differencies for foreign operations | -0,1 | 0,0 | 0,0 | 0,1 | 0,1 |
| Income and expense recognised directly in equity | *-0,1* | *0,0* | *0,0* | *0,1* | *0,1* |
| TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD | 2,1 | -1,4 | 2,0 | 0,4 | -1,0 |
| Attributable to | | | | | |
| Minority interest | 0,3 | -0,2 | 0,4 | 0,1 | 0,5 |
| Equity holders of parent company | 1,8 | -1,3 | 1,6 | 0,3 | -1,5 |

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

| CONSOLIDATED INCOME STATEMENT PER QUARTER, M€ | 4-6/ 2009 | 1-3/ 2009 | 10-12/ 2008 | 7-9/ 2008 | 4-6/ 2008 |
|---|---|---|---|---|---|
| Net interest income | 0,5 | 1,7 | 3,5 | -0,1 | -0,5 |
| Commission income and expense, net | 9,3 | 6,9 | 8,6 | 10,9 | 13,1 |
| Net income from securities transactions and foreign exchange dealing | 5,5 | 1,6 | 0,8 | 1,8 | 1,2 |
| Other operating income | 0,1 | 0,4 | 0,1 | 0,0 | 0,4 |
| Administrative expenses | | | | | |
| Personnel expenses | -5,8 | -5,4 | -8,2 | -6,9 | -8,2 |
| Other administrative expenses | -3,9 | -3,9 | -4,7 | -4,4 | -5,7 |
| Depreciation, amortisation, and write-down | -0,6 | -0,6 | -0,6 | -0,6 | -0,6 |
| Other operating expenses | -0,6 | -0,8 | -1,0 | -0,7 | -1,0 |
| Impairment losses on loans and other receivables | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| NET OPERATING PROFIT / LOSS BEFORE PROFITSHARING | 4,5 | 0,0 | -1,6 | 0,0 | -1,3 |
| Profitsharing | -1,3 | -0,1 | 0,4 | -0,2 | 0,2 |
| NET OPERATING PROFIT / LOSS | 3,1 | -0,1 | -1,3 | -0,2 | -1,4 |
| Share of profits (losses) of associates | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Income taxes* | -0,9 | -0,1 | -0,2 | 0,2 | 0,0 |
| PROFIT / LOSS FOR FINANCIAL YEAR | 2,3 | -0,2 | -1,4 | 0,0 | -1,4 |
| Attributable to | | | | | |
| Minority interest | 0,3 | 0,1 | 0,1 | 0,3 | -0,2 |
| Equity holders of parent company | 2,0 | -0,4 | -1,5 | -0,3 | -1,3 |
| | | | | | |
| PROFIT / LOSS FOR FINANCIAL YEAR | 2,3 | -0,2 | -1,4 | 0,0 | -1,4 |
| | | | | | |
| INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (IAS 1): | | | | | |
| Foreign currency translation differencies for foreign operations | -0,1 | 0,1 | 0,1 | -0,1 | 0,0 |
| Income and expense recognised directly in equity | *-0,1* | *0,1* | *0,1* | *-0,1* | *0,0* |
| TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD | 2,1 | -0,2 | -1,3 | 0,0 | -1,4 |
| Attributable to | | | | | |
| Minority interest | 0,3 | 0,1 | 0,1 | 0,3 | -0,2 |
| Equity holders of parent company | 1,8 | -0,3 | -1,4 | -0,4 | -1,3 |

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

| CONSOLIDATED BALANCE SHEET, M€ | 30.6.2009 | 30.6.2008 | 31.12.2008 |
|---|---|---|---|
| ASSETS | | | |
| Liquid assets | 16,5 | 80,2 | 2,2 |
| Debt securities eligible for refinancing with central banks | 241,6 | 300,9 | 243,7 |
| Claims on credit institutions | 9,7 | 24,5 | 9,9 |
| Claims on the public and public sector entities | 44,1 | 46,3 | 45,9 |
| Debt securities | 69,6 | 123,6 | 164,7 |
| Shares and participations | 105,5 | 170,2 | 66,0 |
| Participating interests | 0,2 | 0,7 | 0,6 |
| Derivative contracts | 6,1 | 25,1 | 13,8 |
| Intangible assets | 9,9 | 8,9 | 9,5 |
| Property, plant and equipment | 2,0 | 3,0 | 2,5 |
| Other assets | 181,7 | 438,1 | 97,6 |
| Accrued income and prepayments | 4,8 | 14,9 | 11,5 |
| Deferred tax assets | 1,2 | 1,1 | 1,2 |
| TOTAL ASSETS | 692,9 | 1 237,5 | 669,1 |
| | | | |
| LIABILITIES | | | |
| Liabilities to credit institutions and central banks | 59,7 | 171,1 | 103,9 |
| Liabilities to the public and public sector entities | 287,6 | 407,2 | 311,5 |
| Debt securities issued to the public | 56,2 | 75,3 | 56,6 |
| Derivative contracts and other trading liabilities | 30,9 | 47,7 | 24,7 |
| Other liabilities | 191,1 | 463,4 | 102,2 |
| Accrued expenses and deferred income | 9,1 | 10,6 | 11,2 |
| Deferred tax liabilities | 0,8 | 0,8 | 0,8 |
| | 635,4 | 1 176,1 | 610,8 |
| Share capital | 56,6 | 60,9 | 57,4 |
| Minority interest in capital | 0,8 | 0,4 | 0,9 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 692,9 | 1 237,5 | 669,1 |

EQUITY CAPITAL, M€

| | | Share capital | Share premium fund | Reserve for invested unrestricted equity | Other reserves | Translation difference | Retained earnings | Total | Minority interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| Equity capital | 31.1.2007 | 30,2 | 1,8 | 7,3 | 0,1 | 0,3 | 31,0 | 70,7 | 0,3 | 71,1 |
| Translation difference | | | | | | -0,1 | | -0,1 | 0,2 | 0,1 |
| Profit/loss for the period | | | | | | | 0,2 | 0,2 | 0,1 | 0,2 |
| Dividends | | | | | | | -10,0 | -10,0 | -0,2 | -10,2 |
| Share issue | | | | 0,2 | | | | 0,2 | | 0,2 |
| Acquisition of own shares | | | | | | | -0,1 | -0,1 | | -0,1 |
| Other changes | | | | | 0,2 | | -0,1 | 0,0 | | 0,0 |
| Equity capital | 30.6.2008 | 30,2 | 1,8 | 7,4 | 0,2 | 0,2 | 21,0 | 60,9 | 0,4 | 61,4 |
| Translation difference | | | | | | 0,3 | | 0,3 | 0,0 | 0,3 |
| Profit/loss for the period | | | | | | | -1,8 | -1,8 | 0,4 | -1,4 |
| Acquisition of own shares | | | | | | | -2,0 | -2,0 | | -2,0 |
| Other changes | | | | | -0,1 | | 0,1 | 0,0 | | 0,0 |
| Equity capital | 31.12.2008 | 30,2 | 1,8 | 7,4 | 0,1 | 0,5 | 17,4 | 57,4 | 0,9 | 58,3 |
| Translation difference | | | | | 0,0 | 0,0 | | 0,0 | -0,1 | -0,1 |
| Profit/loss for the period | | | | | | | 1,6 | 1,6 | 0,4 | 2,0 |
| Dividends | | | | | | | -2,8 | -2,8 | -0,4 | -3,2 |
| Share issue | | | | 1,4 | | | | 1,4 | | 1,4 |
| Acquisition of own shares | | | | | | | -1,0 | -1,0 | | -1,0 |
| Equity capital | 30.6.2009 | 30,2 | 1,8 | 8,8 | 0,1 | 0,5 | 15,1 | 56,6 | 0,8 | 57,4 |

| CASH FLOW STATEMENT, M€ | 1-6/ 2009 | 1-6/ 2008 | 1-12/ 2008 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Interest and commission received | 31,7 | 6,1 | 25,3 |
| Interest and commissions paid | -8,3 | -15,5 | -28,7 |
| Cash payments to employees and suppliers | -4,2 | -29,6 | -70,3 |
| Increase(-) or decrease(+) in operating assets: | | | |
| Net change in trading book assets and liabilities | 63,6 | 37,4 | 107,5 |
| Deposits held for regulatory or monetary control purposes | 0,1 | 1,9 | 7,4 |
| Funds advanced to customers | -64,3 | 1,0 | -104,3 |
| Issue of loan capital | -0,3 | 22,0 | 3,2 |
| Increase(decrease)in operating liabilit: | | | |
| Net cash from operating activities before income taxes | 18,3 | 23,2 | -60,0 |
| Income taxes paid | -0,4 | 0,0 | -0,3 |
| *Net cash used in operating activities* | 17,9 | 23,2 | -60,3 |
| **Cash flows from investing activities** | | | |
| Proceeds from sales of subsidiaries and associates | 0,2 | -1,5 | -0,2 |
| Dividend received | 0,0 | -0,2 | 0,0 |
| Proceeds from sales of non-dealing securities | 0,0 | -0,2 | 0,0 |
| Acquisition of property, plant and equipment and intangible assets | -1,0 | -1,8 | -4,8 |
| *Net cash used in investing activities* | -0,8 | -3,7 | -5,0 |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares capital | 1,5 | 0,0 | 0,0 |
| | -1,0 | 0,0 | -1,8 |
| Issue of preference shares by subsidiary undertaking | 0,1 | 0,0 | 0,0 |
| Payment of finance lease liabilities | -0,2 | -0,3 | -0,5 |
| Dividends paid | -3,3 | -10,0 | -10,2 |
| *Net cash from financing activities* | -2,8 | -10,3 | -12,5 |
| Net increase / decrease in cash and cash equivalents | 14,2 | 9,2 | -77,8 |
| Cash and cash equivalents at beginning of period | 11,6 | 89,6 | 89,6 |
| Effects of exchange rate changes on cash and cash equivalents | 0,0 | 0,0 | -0,2 |
| **Cash and cash equivalents at end of period** | 25,8 | 98,7 | 11,6 |

| 2009 | Markets | Corporate Finance | Asset Management | Group Operations | Unallocated | Group |
|---|---|---|---|---|---|---|
| SEGMENT INCOME STATEMENT € | 1-6/ 2009 | 1-6/ 2009 | 1-6/ 2009 | 1-6/ 2009 | | 1-6/ 2009 |
| REVENUE | | | | | | |
| External sales | 7,5 | 2,2 | 10,1 | 6,5 | -0,3 | |
| Inter-segment sales | -0,4 | 0,0 | 0,0 | 0,4 | 0,0 | |
| Total revenue | 7,1 | 2,1 | 10,1 | 6,9 | -0,3 | 26,0 |
| RESULT | | | | | | |
| Segment operating expenses | -7,4 | -2,8 | -7,5 | -5,3 | 0,1 | -22,9 |
| Unallocated corporate expenses | -1,3 | -0,5 | -1,8 | 3,6 | | |
| Operating profit | -1,6 | -1,2 | 0,8 | 5,2 | -0,2 | 3,0 |
| Segment profit/loss after taxes | -1,6 | -1,2 | 0,5 | 4,5 | -0,2 | 2,0 |
| SEGMENT BALANCE SHEET | 30.6.2009 | 30.6.2009 | 30.6.2009 | 30.6.2009 | | 30.6.2009 |
| Segment assets | 243,1 | 2,7 | 23,0 | 428,5 | | |
| Unallocated corporate assets | | | | | -4,5 | |
| Consolidated total assets | | | | | | 692,9 |
| Segment liabilites | 196,7 | 0,9 | 23,0 | 419,4 | | |
| Unallocated corporate liabilities | | | | | -4,5 | |
| Consolidated total liabilities | | | | | | 635,4 |

| 2008 | Markets | Corporate Finance | Asset Management | Group Operations | Unallocated | Group |
|---|---|---|---|---|---|---|
| SEGMENT INCOME STATEMENT € | 1-6/ 2008 | 1-6/ 2008 | 1-6/ 2008 | 1-6/ 2008 | | 1-6/ 2008 |
| REVENUE | | | | | | |
| External sales | 13,4 | 4,4 | 14,7 | -1,2 | -0,6 | |
| Inter-segment sales | -3,6 | 0,0 | 0,0 | 3,6 | 0,0 | |
| Total revenue | 9,8 | 4,3 | 14,7 | 2,3 | -0,6 | 30,6 |
| RESULT | | | | | | |
| Segment operating expenses | -9,4 | -3,8 | -10,7 | -6,7 | 0,7 | -29,9 |
| Unallocated corporate expenses | -1,8 | -0,7 | -2,7 | 5,1 | | 0,0 |
| Operating profit | -1,4 | -0,1 | 1,3 | 0,8 | 0,1 | 0,7 |
| Segment profit/loss after taxes | -1,4 | -0,1 | 1,2 | 0,4 | 0,1 | 0,2 |
| SEGMENT BALANCE SHEET | 30.6.2008 | 30.6.2008 | 30.6.2008 | 30.6.2008 | | 30.6.2008 |
| Segment assets | 389,9 | 18,8 | 2,4 | 830,9 | | |
| Unallocated corporate assets | | | | | -4,6 | |
| Consolidated total assets | | | | | | 1 237,5 |
| Segment liabilities | 508,0 | 1,3 | -0,7 | 672,0 | | |
| Unallocated corporate liabilities | | | | | -4,6 | |
| Consolidated total liabilities | | | | | | 1 176,1 |

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

| KEY FIGURES DESCRIBING THE FINANCIAL PERFORMANCE OF THE GROUP | 1-6/ 2009 | 1-6/ 2008 | 1-12/ 2008 |
|---|---|---|---|
| Net revenue | 26,0 | 30,6 | 56,2 |
| Operating profit / loss, M€ | 3,0 | 0,7 | -0,7 |
| % of net revenue | 11,6 | 2,3 | -1,3 |
| Profit / Loss for financial year, M€ | 2,0 | 0,2 | -1,1 |
| % of net revenue | 7,8 | 0,8 | -2,0 |
| Return on equity % (ROE) * | 7,0 | 0,7 | -1,8 |
| Return on assets % (ROA) * | 0,6 | 0,0 | -0,1 |
| Equity/total assets ratio % | 8,3 | 5,0 | 8,7 |
| Expense ratio (earnings to operating costs) | 1,1 | 1,0 | 1,0 |
| Personnel in end of period | 285 | 366 | 295 |
| *)annualised | | | |

| Evli Group´s capital adecuacy | 30.6.2009 | 30.6.2008 | 31.12.2008 |
|---|---|---|---|
| | ** | | |
| Own assets, M€ * | 44,1 | 50,6 | 43,6 |
| Risk-weighted items total, M€ | 170,9 | 247,1 | 189,1 |
| Capital adequacy ratio, % | 15,2 | 13,8 | 14,1 |
| Evli Bank Plc:s adequacy ratio, % | 19,1 | 16,3 | 17,7 |
| Own funds surplus M€ | 20,8 | 21,3 | 18,9 |
| Own funds in relation to the minimum capital requirement | 1,9 | 1,7 | 1,8 |

** includes only prime own assets*

*** Evli applies the Basic Indicator Approach under the Basel II capital adequacy rules*

## 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), % | $= \frac{\text{Operating profit - taxes}}{\text{Equity capital and minority interest (average of the figures for the beginning and at the end of the year)}} \times 100$ |
| Return on assets (ROA), % | $= \frac{\text{Operating profit - taxes}}{\text{Average total assets (average of the figures for the beginning and at the end of the year)}} \times 100$ |
| Equity / total assets ratio, % | $= \frac{\text{Equity capital + minority interest + appropriations}}{\text{Total assets}} \times 100$ |
| Expense ratio as earnings to operating costs | $= \frac{\text{Net income from financial operations + net commission income + income from equity investments + net income from securities transactions and foreign exchange dealing + net available-for-sale income + other operating income}}{\text{Administrative expenses + depreciation + other operating expenses}} \times 100$ |

## 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 2008.

| NOTES TO BALANCE SHEET, M€ | 30.6.2009 | 30.6.2008 | 31.12.2008 |
|---|---|---|---|
| **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 | 9,0 | 29,5 | 7,3 |
| Bonds | 47,3 | 45,9 | 49,2 |
| Debt securities issued to the public | 56,2 | 75,3 | 56,6 |

| Breakdown by maturity | **less than 3 months** | **3-12 months** | **1-5 years** |
|---|---|---|---|
| Debt securities issued to the public | 8,0 | 1,0 | 47,3 |

| Changes in bonds issued to the public | 30.6.2009 | 30.6.2008 | 31.12.2008 |
|---|---|---|---|
| Issues | 20,7 | 18,5 | 22,5 |
| Repurchases | 15,8 | 0,1 | 0,8 |

| Off-balance sheet commitments | | | |
|---|---|---|---|
| Commitments given to a third party on behalf of a customer | 7,7 | 8,3 | 5,3 |
| Irrevocable commitments given in favour of a customer | 2,6 | 3,5 | 2,9 |
| Guarantees on behalf of others | 0,6 | 0,8 | 0,7 |
| Unused credit facilities | 3,1 | 9,3 | 7,8 |

| Transactions with related parties | 1-6/ 2009 | | |
|---|---|---|---|
| | pension fund | Associated companies | Group management |
| Receivables | 0,0 | 0,0 | 0,4 |
| Liabilities | 0,5 | 0,0 | 0,1 |

The figures are unaudited.