

2014

**FINANCIAL STATEMENTS
RELEASE**





12 February 2015 at 12:00 noon

eQ PLC'S FINANCIAL STATEMENTS RELEASE 2014 – eQ DOUBLED ITS RESULT, A DISTRIBUTION OF EUR 0.50 PER SHARE IS PROPOSED FOR THE SHAREHOLDERS

January to December 2014 in brief

- During the period under review, the Group's net revenue totalled EUR 24.4 million (EUR 18.8 million from 1 Jan. to 31 Dec. 2013).
 - The Group's net fee and commission income totalled EUR 22.9 million (EUR 15.4 million).
 - The Group's net investment income from own investment operations was EUR 0.8 million (EUR 3.4 million).
- The Group's non-recurring other income and expenses totalled EUR 0.6 million (EUR 0.0 million).
- The operating profit of client operations (Asset Management and Corporate Finance) was EUR 10.0 million (EUR 3.5 million).
- The Group's operating profit was EUR 9.0 million (EUR 4.9 million).
- Earnings per share were EUR 0.20 (EUR 0.10).
- Dividend proposal is EUR 0.20 (EUR 0.15) and proposal for return of capital EUR 0.30 (EUR 0.00) per share.
- eQ Plc's Board of Directors has updated the company's dividend policy after the end of the financial period. eQ Plc's target is to distribute the profit for the financial year as dividend. In addition to the dividend, eQ Plc may return capital to its shareholders from the net cash flows of capital returns and capital calls from private equity fund operations.
- The assets under management totalled EUR 7.5 billion at the end of the financial period (EUR 6.7 billion on 31 Dec. 2013).
- The net cash flow from own investment operations was EUR 8.0 million (EUR 10.4 million from 1 Jan. to 31 Dec. 2013) and the change in fair value was EUR 3.8 million (EUR -1.2 million).

October to December 2014 in brief

- In the fourth quarter, the Group's net revenue totalled EUR 8.1 million (EUR 5.1 million from 1 Oct. to 31 Dec. 2013).
 - The Group's net fee and commission income totalled EUR 7.3 million (EUR 4.6 million).
 - The Group's net investment income from own investment operations was EUR 0.8 million (EUR 0.5 million).
- The operating profit of client operations (Asset Management and Corporate Finance) was EUR 3.1 million (EUR 1.1 million).
- The Group's operating profit was EUR 3.4 million (EUR 1.1 million).
- Earnings per share were EUR 0.07 (EUR 0.02).



Key ratios	1-12/ 2014	1-12/ 2013	Change, %	10-12/ 2014	10-12/ 2013	Change, %
Net revenue, Group, EUR million	24.4	18.8	30%	8.1	5.1	59%
Net revenue, Asset Management, EUR million	17.6	13.6	29%	4.6	3.7	24%
Net revenue, Corporate Finance, EUR million	6.3	2.2	193%	2.7	0.9	194%
Net revenue, Investments, EUR million	0.5	3.0	-82%	0.7	0.4	73%
Net revenue, Group administration and eliminations, EUR million	0.0	0.0	-71%	0.0	0.0	-81%
Operating profit, Group, EUR million	9.0	4.9	83%	3.4	1.1	206%
Operating profit, Asset Management, EUR million	7.1	3.1	126%	1.7	0.8	111%
Operating profit, Corporate Finance, EUR million	2.9	0.4	655%	1.4	0.3	355%
Operating profit, Investments, EUR million	0.5	3.0	-82 %	0.7	0.4	73%
Operating profit, Group administration, EUR million	-1.5	-1.6	-6 %	-0.4	-0.4	5%
Profit for the period, EUR million	7.1	3.4	108 %	2.7	0.8	222%
Earnings per share, EUR	0.20	0.10	100%	0.07	0.02	250%
Proposal for dividend and return of capital per share, EUR	0.50	0.15	233%			
Equity per share, EUR	2.11	1.97	7%	2.11	1.97	7%
Liquid assets and interest-bearing liabilities, EUR million	21.3	11.3	89%	21.3	11.3	89%
Private equity investments, EUR million	27.3	30.6	-11%	27.3	30.6	-11%
Interest-bearing liabilities, EUR million	0.0	0.0	0%	0.0	0.0	0%
Assets under management, EUR billion	7.5	6.7	12%	7.5	6.7	12%

Janne Larma, CEO

The net revenue of eQ Asset Management increased by almost 30 per cent and the profit more than doubled

eQ Asset Management succeeded excellently in several different areas in 2014. The assets managed by eQ increased to EUR 7.5 billion by the year-end. Measured with assets under management, eQ is the largest asset manager in Finland that is independent of bank groups. Our market position in private equity asset management was further consolidated last year. We raised EUR 130 million to the eQ Private Equity VI North investment programme. In addition, four important investors, i.e. the Finnish Cultural Foundation, Central Church Fund of Finland, Jenny and Antti Wihuri Foundation and Emil Aaltonen Foundation, outsourced the management of their private equity investments to eQ. Our real estate asset management managed to raise about EUR 90 million of new capital last year. At the year end, the assets of the eQ Care Fund exceeded EUR 150 million, and we launched a new fund called eQ Finnish Real Estate with an initial capital of EUR 15 million. We strongly believe that both private equity and real estate asset management will grow in Finland during the next few years. eQ did also well in traditional asset management. Our clearly largest fund is the eQ Emerging Dividend Fund, which gathered net subscriptions of EUR 137 million during the year. We also succeeded well in yield comparisons. 60 per cent of our funds surpassed their benchmark indices in 2014.

Advium's business operations grew considerably

eQ's corporate finance unit Advium had an excellent year. Advium acted as advisor in 14 finalised transactions and almost tripled its net sales. Advium acted as advisor, e.g. as Ledil, which manufactures



LED lighting components, was sold to Ratos AB, when the State of Finland sold Destia to Ahlström Capital, and when the State of Finland and Meyer became new owners of the STX Finland dockyard in Turku. In real estate business, Advium acted as advisor to the seller when Sanoma Plc sold the Sanomatalo and Sanomala properties and when Taaleritehdas sold its residential portfolio to Tapiola. Advium maintained its market leading position in large real estate transactions and consolidated its position in mergers and acquisitions.

The Group's profit doubled

eQ's result in 2014 was excellent. We managed to increase our net sales by 30 per cent to EUR 24.4 million and our operating profit to EUR 9.0 million. The Group's profit for the financial period doubled to EUR 7.1 million, i.e. 20 cents per share. I am especially pleased with the fact that the operating profit of Client Operations increased almost threefold and totalled EUR 10.0 million. The operating profit of the Asset Management segment was EUR 7.1 million and that of Corporate Finance EUR 2.9 million. The operating profit of the Investments segment was EUR 0.7 million in the last quarter, which raised the segment's operating profit for the year to EUR 0.5 million.

The Group's strong balance sheet enables a large profit distribution

The market value of eQ's own private equity investments totalled EUR 27.3 million and liquid assets amounted to EUR 21.3 million at the close of the year. According to our strategy, we only make new private equity investments in funds that the Group manages, and with regard to this, the Board has updated the company's dividend policy. According to the new policy, our aim is to distribute the profit for the financial year as dividend and the capital returns from private equity investments deducted with capital calls as return of capital from the reserve for invested unrestricted equity. The Group's strong balance sheet makes it possible to distribute the dividend per share of 20 cents and the extra return of capital of 30 cents per share proposed by the Board.

Outlook

The asset management business grew well last year, which gives an excellent starting point for 2015. We expect that the yields and operating profit of the asset management segment will grow in 2015. Last year was especially good for the Corporate Finance segment. The number of assignments continues to be at a good level, but it may be challenging to reach last year's profit level in 2015. Based on this, we believe that the total income and operating profit of Client Operations will grow in 2015, as compared with 2014. The cash flow of the Investments segment is expected to continue to be strongly positive. The result of the business operations is, on the other hand, mainly dependent of factors that are independent of the company. Consequently, the operating profit of the Investments segment may vary considerably and is difficult to foresee.

eQ's financial statements release 1 January to 31 December 2014 is enclosed to this release and it will also be available in the company website at www.eQ.fi.

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eQ Group is a Finnish group of companies specialising in asset management and corporate finance business. eQ Asset Management offers a wide range of asset management services (including private equity funds and real estate asset management) for institutions and individuals. The assets management by the Group total approximately EUR 7.5 billion. Advium Corporate Finance, which is part of the Group, offers services related to mergers and acquisitions, real estate transactions and equity capital markets.

More information about the Group is available on our website at www.eQ.fi.



eQ PLC'S FINANCIAL STATEMENTS RELEASE 1 JAN. TO 31 DEC. 2014

Result of operations and financial position 1 January to 31 December 2014

- During the period under review, the Group's net revenue totalled EUR 24.4 million (EUR 18.8 million from 1 Jan. to 31 Dec. 2013).
 - The Group's net fee and commission income totalled EUR 22.9 million (EUR 15.4 million).
 - The Group's net investment income from own investment operations was EUR 0.8 million (EUR 3.4 million).
- The Group's non-recurring other income and expenses totalled EUR 0.6 million (EUR 0.0 million).
- The operating profit of client operations (Asset Management and Corporate Finance) was EUR 10.0 million (EUR 3.5 million).
- The Group's operating profit was EUR 9.0 million (EUR 4.9 million).
- Consolidated earnings after taxes were EUR 7.1 million (EUR 3.4 million).
- Earnings per share were EUR 0.20 (EUR 0.10).
- Dividend proposal is EUR 0.20 (EUR 0.15) and proposal for return of capital EUR 0.30 (EUR 0.00) per share.
- eQ Plc's Board of Directors has updated the company's dividend policy after the end of the financial period. eQ Plc's target is to distribute the profit for the financial year as dividend. In addition to the dividend, eQ Plc may return capital to its shareholders from the net cash flows of capital returns and capital calls from private equity funds operations.
- Equity per share was EUR 2.11 (EUR 1.97 on 31 Dec. 2013).
- The assets under management totalled EUR 7.5 billion at the end of the financial period (EUR 6.7 billion on 31 Dec. 2013).
- The net cash flow from own investment operations was EUR 8.0 million (EUR 10.4 million from 1 Jan. to 31 Dec. 2013) and the change in fair value was EUR 3.8 million (EUR -1.2 million).

Result of operations and financial position 1 October to 31 December 2014

- In the fourth quarter, the Group's net revenue totalled EUR 8.1 million (EUR 5.1 million from 1 Oct. to 31 Dec. 2013).
 - The Group's net fee and commission income totalled EUR 7.3 million (EUR 4.6 million).
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- The operating profit of client operations (Asset Management and Corporate Finance) was EUR 3.1 million (EUR 1.1 million).
- The Group's operating profit was EUR 3.4 million (EUR 1.1 million).
- Consolidated earnings after taxes were EUR 2.7 million (EUR 0.8 million).
- Earnings per share were EUR 0.07 (EUR 0.02).

Operating environment

The growth of the global economy is estimated to have exceeded 3 per cent in 2014. As in previous years, the growth was extremely unevenly distributed between geographic areas. Growth was the strongest in China and the rest of Asia, in China more than 7 per cent. The growth of the US economy was estimated as 2.5 per cent. In Europe, the growth was below one per cent, and the differences between countries were big. According to current information, growth in Finland remained round zero, which means that Finland was one of the economies in Europe with the weakest growth. Even in Japan, growth remained clearly slower than expected.

In 2014, growth in above all Europe was influenced by international uncertainties and particularly the deepening of the conflict in Ukraine, to which both parties reacted with economic sanctions. After summer, growth in Germany slowed down as well, mostly due to the situation in Russia. Global uncertainty also grew due to measures taken by ISIL and the unrest in Gaza and Iraq.



Against expectations, the FED did not alter its policy rates in 2014 and started to reduce so-called liquidity operations. The European Central Bank continued to cut rates and created market expectations for the launch of a liquidity operation of its own. The first measures were already visible towards the end of 2014. As a result of the ECB's measures and promises, the value of the euro compared with dollar started to fall clearly towards the end of the year. Japan also expanded its liquidity operations with the same aim as the ECB: creating inflation and growth. The price of oil fell strongly in late 2014, to almost 40 dollars per barrel. The reason for this was the oversupply of oil and international power politics. The price fall improved growth expectations in Western countries and most of Asia, but at the same time, it increased uncertainty coupled with the strengthening of the dollar.

Equity market

The equity market year varied from reasonable to very good depending on the region and currency. The best yields were obtained from the US. Calculated in euros, the S&P 500 Index rose by 28.7 per cent. The yield was largely due to the strengthening of the dollar. In the US, company net sales and results continued to grow. MSCI Europe gave a 6.6 per cent yield, i.e. slightly more than the average dividend yield. In Finland, the stock market rose by 10.6 per cent. In Europe, company net sales continued to fall, but result growth was achieved with cost cuts. In emerging stock markets, the yield varied strongly by area - the Russian stock exchange fell by almost 35 per cent, while the Indian stock exchange rose by almost 40 per cent. At index level, the emerging equity market rose by 11.4 per cent. Calculated in euros, the Japanese stock exchange rose by 9.3 per cent. Towards the end of the year, China announced that it would open trade between series A and H shares, which increased the shares prices clearly towards the end of the year.

Share price development according to region was fairly consistent up to summer. During the summer and early autumn, money flows were strongly directed to the US equity market, which posted the strongest economic growth, increase in net sales and a potential for a stronger currency.

The strongest correction of the year was seen in October. As usual, a correction is the result of several factors. The uncertainty related to the situation in Russia and Ukraine, the concern for economic growth and the repatriation of profits towards the end of the year led to a plunge of 8 to 15 per cent depending on the market, but recovery was rather quick.

Bond market

In 2014, the return of the bond market was very good for euro investors and better than expected across the board. The best yield was obtained from euro-denominated government bonds, which gave a yield of 13.2 per cent during the entire year. For example the German five-year interest rate fell to zero and was even negative towards the end of the year. The interest rate spreads of fringe countries in relation to Germany also narrowed. The yield of Investment Grade loans was also good, 8.3 per cent, and that of high-yield loans 5.3 per cent. The loans of emerging countries were suppressed by the crisis in Russia, the rapid strengthening of the dollar and the strong fall in oil prices, and at index level the yield remained at 3.4 per cent. The yield of loans in local currencies was, however, almost at the level of euro-denominated government bonds due to the strengthening of currencies. As the ECB's policy rate is round zero and continued to fall in 2014, investments in short-term interest rates gave practically no return in 2014.

Interest rate movements vary by region. In Europe, which experienced weak growth, interest rates fell extremely strongly, and for example in Germany, the 10-year rate fell from 1.9 to 0.5 per cent in 2014. In the US, the fall was slighter, reflecting both stronger growth and the market expectations on interest rate increases. Emerging markets saw interest rate increases in order to protect currencies at the beginning of 2014, but towards the end of the year, countries allowed the rates to fall. Russia made an exception to this, as it had to protect the value of its currency with several interest rate increases during the year.

Major events during the financial period

The business operations of the Group's subsidiary Finnreit Fund Management Company Ltd were transferred to another subsidiary, eQ Fund Management Company Ltd at the beginning of the year. Finnreit Fund Management Company Ltd was merged with eQ Fund Management Company Ltd at the end of October 2014.



The Annual General Meeting of eQ Plc was held on 27 March 2014. The decisions by the Annual General Meeting have been presented in a separate chapter below.

During the second quarter, eQ Plc purchased and annulled a total of 85 000 own shares.

The eQ PE VI North investment programme, established and managed by eQ, grew to EUR 130.0 million by 30 June 2014, when the eQ PE VI North Fund had its final close. eQ Plc's own investment commitment in the eQ PE VI North Fund is EUR 5.0 million.

The Financial Supervision Authority granted eQ Fund Management Company Ltd the license to act as alternative investment fund manager (AIFM) on 8 July 2014.

eQ Plc's number of shares increased on 31 December 2014 with 370 000 shares due to the share issue of shares subscribed for with options.

Group net sales and result development

During the financial period, the Group's net revenue totalled EUR 24.4 million (EUR 18.8 million from 1 Jan. to 31 Dec. 2013). The Group's net fee and commission income increased to EUR 22.9 million (EUR 15.4 million). On the other hand, the income from own investment operations fell from the comparison period. Group's net investment income was EUR 0.8 million (EUR 3.4 million), including a write-down of EUR 1.2 million (EUR 1.1 million) with a result impact.

The other income of the Group and the Asset Management segment included EUR 0.7 million of non-recurring items related to the adjustment of the additional purchase price of a corporate acquisition made in 2013.

The Group's expenses and depreciation totalled EUR 15.4 million (EUR 13.8 million). Personnel expenses were EUR 10.7 million (EUR 8.1 million), other administrative expenses totalled EUR 1.9 million (EUR 2.3 million), and the other operating expenses were EUR 1.9 million (EUR 2.1 million). The personnel expenses increased from the year before due to result bonuses. The other operating expenses include EUR 0.1 million of non-recurring expenses. Depreciation was EUR 0.8 million (EUR 1.4 million). Depreciation includes EUR 0.5 million (EUR 1.1 million) in depreciation of customer agreements allocated to intangible assets in connection with corporate acquisitions.

The Group's operating profit was EUR 9.0 million (EUR 4.9 million). The profit for the financial period was EUR 7.1 million (EUR 3.4 million).

Business areas

Asset Management

eQ Asset Management offers a versatile and innovative asset management services to both institutions and individuals. The Asset Management segment consists of the investment firm eQ Asset Management Ltd and its subsidiaries, the most important of which is eQ Fund Management Company Ltd.

Mutual funds and asset management

At the end of December, eQ had 26 mutual funds registered in Finland. In 2014, eQ's fixed-income funds have given very good returns and they continue to be among the best funds in the market. In the fourth quarter, the yields of corporate loans with a higher risk fluctuated strongly but remained slightly positive. Above all government bonds continued to offer an excellent yield. The yields of equity funds were also very good in 2014. In the fourth quarter, the best yields came from equities in the US, as the dollar grew stronger, while the stock exchanges in Europe stood still. The eQ Emerging Asia, eQ Europe Property and eQ USA Index funds gave a return exceeding 30 per cent in 2014. Only the value of the fund that makes investments in Russia fell in 2014, but even its relative yield compared with competitors was excellent. As compared with their benchmark indices, all fixed-income funds gave excellent relative returns, and among the equity funds, eQ Emerging Asia, eQ Europe Property and eQ Russia gave the best returns. The yields of the discretionary asset management portfolios that eQ manages were also excellent, between 10 and 15 per cent in 2014.



Sales developed in an excellent manner in 2014. The net sales of our funds registered in Finland were about EUR 192 million. The eQ Emerging Dividend Fund grew from about EUR 160 million at the beginning of the year to about EUR 310 million. During the past three years, the fund has been one of the best funds worldwide making investments in global emerging markets. The eQ EM Corporate Bond HC and eQ LCR Income funds also grew considerably.

Private Equity

In the last quarter, eQ signed an agreement with Jenny and Antti Wihuri Foundation and Emil Aaltonen Foundation. This agreement expands the multiannual agreement that eQ has previously concluded with the Finnish Cultural Foundation. With the agreement, the foundations outsource the management of their private equity and other alternative investments to eQ Asset Management. The outsourcing covers both existing and future investments. The size of the investment programme that will be carried out for the new investments is EUR 120 million. In addition, the Central Church Fund of Finland outsourced the management of all its existing private equity and real estate fund investments to eQ Asset Management in the last quarter.

The final close of the eQ PE VI North Fund took place on 30 June 2014 at EUR 100 million. Altogether 35 investors joined the fund, 23 of which were new investors in eQ's private equity funds. The overall investment capacity of the parallel investment programme and the fund is EUR 130 million, which exceeded the target of EUR 100 million markedly. The investment operations of the fund started well thanks to the secondary market transactions made in it, and they have continued according to plans.

In 2014, the assets managed under private equity operations grew by more than EUR 600 million and totalled about EUR 3 300 million at the close of the year.

Real estate investments

eQ's new real estate management organisation went into operation in the autumn. Tero Estovirta, Robert Landtman and Samuel Granvik consolidated the organisation and enabled the development of new property investment products. At the end of the year, a new fund called eQ Finnish Real Estate was launched. Its investment capacity is already EUR 30 million.

The eQ Care Fund grew during the year. At the end of the year, the size of the eQ Care Fund was already EUR 154 million, and its investment capacity exceeds EUR 308 million. In 2014, the return of the fund was 6.4 per cent, and it already has more than 1 200 unit holders.

eQ's real estate funds accept subscriptions four times a year and redemptions twice a year.

Assets under management and clients

At the end of the year, the assets managed by eQ Asset Management totalled EUR 7 483 million, an increase by 12 per cent since the beginning of the year (EUR 6 700 million on 31 Dec. 2013). At the end of the financial period, the assets managed by mutual funds registered in Finland totalled EUR 1 423 million (EUR 1 151 million on 31 Dec. 2013). Mutual funds managed by international partners and other assets covered by asset management operations totalled EUR 2 747 million (EUR 2 846 million). The assets managed under private equity funds and asset management totalled EUR 3 312 million (EUR 2 704 million). EUR 2 164 million (EUR 1 414 million) of these assets were covered by the reporting service.

The position of eQ Asset Management in the market for institutional investments improved in the so-called SFR study, which covers approximately the 100 largest institutional investors in Finland. According to the study, about 40 per cent of them use eQ's services, and based on market share information in euros, eQ is Finland's fifth largest asset manager for institutional investors.

Result of the Asset Management segment

The net revenue of the Asset Management segment grew by almost 30 per cent in 2014 and the operating profit more than doubled to EUR 7.1 million. In the last quarter, net revenue growth was 24 per cent and the



growth of the operating profit 111 per cent. Particularly the management fees and performance fees from real estate and private equity asset management grew strongly in 2014.

The Asset Management segment had 60 employees at the end of the year.

Asset Management	1-12/ 2014	1-12/ 2013	Change, %	10-12/ 2014	10-12/ 2014	Change, %
Net revenue, EUR million	17.6	13.6	29%	4.6	3.7	24%
Operating profit, EUR million	7.1	3.1	126%	1.7	0.8	111%
Assets under management, EUR billion	7.5	6.7	12%	7.5	6.7	12%
Personnel	60	59	2%	60	59	2%

Fee and commission income, Asset Management, EUR million	1-12/ 2014	1-12/ 2013	Change	10-12/ 2014	10-12/ 2014	Change
Management fees from traditional asset management	8.7	7.5	16%	2.3	1.9	20%
Real estate and private equity fees	6.4	4.8	33%	1.7	1.4	27%
Other fee and commission income	0.8	1.3	-39%	0.3	0.3	14%
Performance fees	1.2	0.2	403%	0.3	0.2	48%
Total	17.1	13.9	23%	4.7	3.8	24%

The result of Finnreit Fund Management Company Ltd has been consolidated with the income statement of eQ Group and the Asset Management segment from 1 October 2013.

Corporate Finance

In the Corporate Finance segment, Advium Corporate Finance acts as advisor in mergers and acquisitions, larger real estate transactions and equity capital markets.

The number of mergers and acquisitions and real estate transactions grew considerably from the previous year in Finland. The value of M&A's (excl. the Nokia Microsoft deal) in euros in Finland grew by more than 60 per cent and that of real estate transactions by more than 50 per cent from 2013. Advium managed to increase its net sales and the number of transactions more than the market. During the financial period, Advium acted as advisor in 14 finalised transactions, as compared with seven transactions in 2013.

In mergers and acquisitions, Advium acted as advisor, e.g. as Ledil, which manufactures LED lighting components, was sold to Ratos AB, when the State of Finland sold Destia to Ahlström Capital, and when the State of Finland and Meyer became new owners of the STX Finland dockyard in Turku as they bought the share capital of STX Finland Ltd of STX Europe. In the real estate segment, Advium acted as advisor as Sanoma Plc sold its Sanomatalo property in the centre of Helsinki and its production and office facilities in Vantaa. Advium also acted as advisor, e.g. when a fund managed by Exilion sold the Microsoft House 3 office property in Keilaniemi to a fund managed by AXA Real Estate, when the NV Property Fund I Ky managed by NV Kiinteistösi joitus Oy agreed on the sale of three car dealers' premises to the Swedish listed company AB Sagax and when Taaleritehdas sold the residential funds Taaleritehtaan Asuntorahastot I Ky and II Ky, both managed by Taaleritehtaan Pääomarahastot Oy, to LähiTapiola Group's non-life insurance and life insurance companies.

In 2014, Advium Corporate Finance was once again chosen the best Finnish investment bank in the real estate sector in an enquiry by the distinguished Euromoney magazine. Advium has been awarded the title of best transaction advisor or real estate investment bank in Euromoney's annual enquiry eight times since 2005.



Result of the Corporate Finance segment

In 2014, Advium's net revenue was EUR 6.3 million, compared with EUR 2.2 million in 2013. The operating profit also grew considerably to EUR 2.9 million from previous year's EUR 0.4 million. The number of personnel in the Corporate Finance segment was 14 at the end of December.

It is typical of corporate finance business that success fees have a considerable impact on invoicing, due to which the result may vary considerably from quarter to quarter.

Corporate Finance	1-12/ 2014	1-12/ 2013	Change, %	10-12/ 2014	10-12/ 2014	Change, %
Net revenue, EUR million	6.3	2.2	193%	2.7	0.9	194%
Operating profit, EUR million	2.9	0.4	655%	1.4	0.3	355%
Personnel	14	13	8%	14	13	8%

Investments

The business operations of the Investments segment consist of private equity fund investments made from eQ Group's own balance sheet. Additional information on the investments of the Group can be found on the company website at www.eQ.fi.

During the financial period, the net revenue of the Investments segment totalled EUR 0.5 million (EUR 3.0 million from 1 Jan. to 31 Dec. 2013). At the end of the period, the fair value of the private equity fund investments was EUR 27.3 million (EUR 30.6 million on 31 December 2013) and the amount of the remaining investment commitments was EUR 10.9 million (EUR 11.2 million). eQ Plc increased its own investment commitment in the eQ PE VI North private equity fund from EUR 3.0 million to EUR 5.0 million on 30 June, in connection with the final close of the fund. The breakdown of the market value and investment commitments of private equity investments per fund are presented on page 22.

During the period, the investment objects returned capital for EUR 8.2 million (EUR 8.9 million from 1 Jan. to 31 Dec. 2013) and distributed a profit of EUR 2.0 million (EUR 4.5 million). Capital calls totalled EUR 2.3 million (EUR 3.0 million). The net cash flow from the investments during the period was consequently EUR 8.0 million (EUR 10.4 million).

The write-downs with result impact during the financial period totalled EUR 1.2 million (EUR 1.1 million from 1 Jan. to 31 Dec. 2013). The Group's internal management fee expenses, which are included in the result of the Investments segment, totalled EUR 0.3 million (EUR 0.4 million).

The value change of investments in the fair value reserve before taxes was EUR 3.8 million (EUR -1.2 million). The unrealised value changes of investments in the fair value reserve after taxes were EUR 0.5 million (EUR -2.6 million on 31 Dec. 2013) at the end of the period. The return of eQ's own investment operations since the beginning of operations has been 21.2 per cent p.a. (IRR).

The largest exits and cash flows in 2014 were:

- The EQT IV Fund returned capital for the sale of Sanitec's shares. The company was listed in the autumn of 2013. The cash flow generated for eQ was EUR 0.6 million.
- The Gresham IV Fund made an exit from a company called ICR Integrity. The company was sold to another private equity investor Graphite Capital. The company is a service provider for the international energy sector. The cash flow generated for eQ from the exit was EUR 0.9 million
- The Gresham IV Fund made an exit from a company called Hotter Shoes. The company was sold to another private equity investor Electra Partners. The company designs, manufactures and sells design shoes in the UK. The cash flow generated for eQ was EUR 0.6 million.
- The Gresham IV Fund made an exit from three portfolio management companies, Invetis, James Grant and MWUK. The cash flow generated for eQ was EUR 0.7 million.
- The PAI Europe IV Fund made an exit from United Biscuits, which is based in Western Europe and manufactures biscuits and snacks. The company was sold to the Turkish industrial company Yildiz Holding, and the cash flow generated for eQ was EUR 1.3 million.



- The Amanda III East fund of funds returned assets of EUR 0.8 million due to several liquidity transactions and exits in the portfolio.
- The Amanda IV West fund of funds returned assets of EUR 0.7 million due to several liquidity transactions and exits in the portfolio.

The income of eQ's own investment operations is recognised due to factors independent of the company. Due to this, the segment's net revenue and result may vary considerably. eQ has made a decision that it will only make new investments in funds managed by eQ in future.

Investments	1-12/ 2014	1-12/ 2013	Change, %	10-12/ 2014	10-12/ 2014	Change, %
Net revenue, EUR million	0.5	3.0	-82%	0.7	0.4	73%
Operating profit, EUR million	0.5	3.0	-82%	0.7	0.4	73%
Fair value of investments, EUR million	27.3	30.6	-11%	27.3	30.6	-11%
Investment commitments, EUR million	10.9	11.2	-2%	10.9	11.2	-2%

Balance sheet and solvency

At the end of the period, the consolidated balance sheet total was EUR 86.7 million (EUR 77.7 million on 31 Dec. 2013). At the end of the period, the shareholders' equity was EUR 77.5 million (EUR 71.8 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 7.1 million, the change in the fair value reserve of EUR 3.0 million, the dividend distribution of EUR -5.5 million, and the purchase and annulment of own shares of EUR -0.2 million, a share issue of EUR 0.8 million and other changes totalling EUR 0.4 million. The changes are specified in detail in the tables attached to this release.

At the end of the period, liquid assets totalled EUR 17.3 million (EUR 10.0 million), interest-bearing receivables EUR 0.0 million (EUR 1.3 million) and liquid investments in mutual funds EUR 4.0 million (EUR 0.0 million). In order to safeguard the availability of financing, the Group has access to a credit limit of EUR 4.0 million. At the end of the period, the Group had no interest-bearing liabilities (EUR 0.0 million). Interest-free long-term debt was EUR 0.9 million (EUR 1.4 million) and interest-free short-term debt EUR 8.3 million (EUR 4.4 million). eQ's equity to assets ratio was 89.4% (92.4%).

The Group's subsidiaries eQ Asset Management Sweden AB, eQ Asset Management Denmark A/S, Nordic Venture Partners Limited and Proventure GP Scotland Limited were dissolved during the financial period 2014. eQ Group's holding in eQ Asset Management Sweden AB had been 57 per cent before the dissolution. As a result, there are no holdings of non-controlling interests within the Group. In addition, Finnreit Fund Management Company Ltd was merged with eQ Fund Management Company Ltd in 2014.

A subsidiary called eQ Asset Management Ltd, which is engaged in investment firm operations and fully owned by eQ Plc, is part of the Group. eQ Asset Management Ltd, as investment firm, and eQ Plc as the holding company, apply the Basel III/CRD IV regulations. The Group's CET1 (Common Equity Tier 1) and solvency ratio of the own funds was 24.7% (30.1%) at the end of December. The minimum requirement for own funds is 8 per cent, while the Group's target is at least 12 per cent. Detailed information on the Group's solvency can be found in the tables section.

Shares and share capital

At the end of the period on 31 December 2014, the number of eQ Plc's shares was 36 727 198 and the share capital was EUR 11 383 873. The number of shares fell by 85 000 in June as a result of the annulment of own shares held by the company and increased by 370 000 shares in December in connection with the issue of shares subscribed for with options. There were no changes in the share capital during the financial period.

Own shares

At the end of the period, on 31 December 2014, eQ Plc held no own shares. On 17 April 2014, eQ Plc purchased, based on an authorisation by the Annual General Meeting, 85 000 own shares, which had been



issued to employees of eQ Group. The company acquired the shares in accordance with the terms of the share issue at original subscription price based on the termination of employment. The company annulled the shares on 17 June 2014. The amount corresponded to about 0.23 per cent of the company's entire share capital.

Shareholders

Ten major shareholders on 31 December 2014

	Share of votes and shares, %
Fennogens Investements SA	16.58.%
Chilla Capital	12.41%
Ulkomarkkinat Oy	10.29%
Veikko Laine Oy	10.00%
Oy Hermitage Ab	6.25%
Mandatum Life Insurance Company	5.59%
Fazer Jan Peter	4.14%
Oy Cevante Ab	3.86%
Teamet Oy	3.27%
Louko Antti Jaakko	2.04%

On 31 December 2014, eQ Plc had 3 243 shareholders.

Option scheme 2010

At the end of the financial period, eQ Plc had one option scheme. The option scheme is intended as part of the incentive and commitment system of the Group's key employees.

At the end of the period, altogether 1 700 000 options had been allocated. Of the options granted, 370 000 were exercised in December 2014.

Based on the authorisation given to the Board on 14 April 2010 by the Annual General Meeting, there were 20 000 options still available for allocation at the end of the period. The terms and conditions of the option scheme have been published in a stock exchange release of 18 August 2010, and they can be found in their entirety on the company website at www.eQ.fi.

Decisions by the Annual General Meeting

eQ Plc's Annual General Meeting (AGM), held on Thursday 27 March 2014 in Helsinki, decided upon the following:

Confirmation of the financial statements

eQ Plc's AGM confirmed the financial statements of the company, which included the consolidated financial statements, the report by the Board of Directors, and the auditors' report for the financial year 2013.

Decision in respect of the result shown on the balance sheet

The AGM confirmed the proposal by the Board of Directors that a dividend of EUR 0.15 per share be paid. The dividend was paid to shareholders who, on the record date for the dividend payment, i.e. 1 April 2014, were recorded in the shareholder register held by Euroclear Finland Ltd. The dividend was paid on 8 April 2014.



Discharge from liability to the Board of Directors and the CEO

The AGM decided to grant discharge from liability to the Board of Directors and the CEO.

Number of directors, appointment of directors, and the remuneration of directors

According to the decision of the AGM, five members shall be elected to eQ Plc's Board of Directors. Nicholas Berner, Christina Dahlblom, Georg Ehrnrooth, Ole Johansson, and Jussi Seppälä were re-elected to the Board for a term of office that will end at the close of the next Annual General Meeting. The AGM decided that the directors would receive remuneration as follows: the Chairman of the Board will receive EUR 3 300 and the other directors EUR 1 800 per month. Travel and lodging costs will be compensated in accordance with the company's expense policy. The Board elected Ole Johansson Chairman of the Board at its meeting held immediately after the AGM.

Auditors and auditors' compensation

The AGM decided to elect the corporation of authorised public accountants KPMG Oy Ab auditor of the company. The auditor with main responsibility appointed by the company is Raija-Leena Hankonen, APA. It was decided to compensate the auditor according to an invoice approved by eQ Plc.

Authorising the Board of Directors to decide on the repurchase of shares

The AGM authorised the Board of Directors to decide on the repurchase of the company's own shares in one or several transactions on the following terms: the Board of Directors was authorised to decide on the repurchase of no more than 1 000 000 own shares, which corresponded to approximately 2.74 per cent of all the shares in the company on the date of the notice of the AGM. The shares will be repurchased with assets from the company's unrestricted equity, which means that any repurchases will reduce the distributable assets of the company. Shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders with assets from the company's unrestricted equity at the market price of the shares in public trading on NASDAQ OMX Helsinki at the time of purchase or at a lower price.

Own shares may be repurchased in order to develop the company's capital structure, to finance corporate acquisitions or other business transactions, to finance or carry out investments or other arrangements pertaining to the company operations, or they may be used as part of the company's incentive schemes. For said purposes, the repurchased shares may be held, cancelled, or transferred further. The Board of Directors shall decide on other matters related to the repurchase of own shares. The authorisation cancels all previous authorisations to repurchase the company's own shares and is effective until the next AGM, no longer than 18 months, however.

Authorising the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares

The AGM authorised the Board of Directors to decide on a share issue or share issues and/or the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act, comprising a maximum total of 5 000 000 new shares. The amount of the authorisation corresponded to approximately 13.72 per cent of all shares in the company on the date of the notice of the AGM.

The authorisation can be used in order to finance or carry out potential acquisitions or other business transactions, to strengthen the balance sheet and the financial position of the company, to carry out the company's incentive schemes or for any other purposes decided by the Board. Based on the authorisation, the Board shall decide on all matters related to the issuance of shares and special rights entitling to shares referred to in Chapter 10 Section 1 of the Limited Liability Companies Act, including the recipients of the shares or the special rights entitling to shares and the amount of the consideration to be paid. Therefore, based on the authorisation, shares or special rights entitling to shares may also be issued to certain persons, i.e. in deviation of the shareholders' pre-emptive rights as described in said Act. A share issue may also be executed without payment in accordance with the preconditions set out in the Limited Liability Companies Act. The authorisation cancels all previous corresponding authorisations and is effective until the next AGM, no longer than 18 months, however.



Personnel and organisation

At the end of the financial period, the number of Group personnel was 81 (82 on 31 December 2013). The Asset Management segment had 60 (59) employees and the Corporate Finance segment 14 (13) employees. Group administration had 7 (10) employees. The personnel of the Asset Management segment comprises three persons with fixed-term employment and that of the Corporate Finance segment one person with fixed-term employment. Of the personnel, 80 persons (79) worked in Finland and 1 person (3) in other Scandinavian countries.

The overall salaries paid to the employees of eQ Group during the period totalled EUR 10.7 million (EUR 8.1 million from 1 Jan. to 31 Dec. 2013). The salary expenses increased from the year before due to result bonuses.

Major risks and short-term uncertainties

The Group's major single risk is the dependence of the result on changes in the external operating environment. The result of the Asset Management segment depends on the development of the assets under management, which is dependent of the development of the capital market. The realisation of fee income that is dependent on the success of the investment operations also influences result development. On the other hand, the management fees of private equity funds are based on long-term agreements that produce a stable cash flow.

Success fees, which depend on the number of mergers and acquisitions and real estate transactions, have a considerable impact on the result of the Corporate Finance segment. These vary considerably within one year and are dependent on economic trends.

The risks associated with eQ Group's own investment operations are the market risk, currency risk and liquidity risk. Among these, the market risk has the greatest impact on investments. The company's own investments are well diversified, which means that the impact of one investment in a company, made by one individual fund, on the yield of the investments is often small. The income from eQ Group's own investment operations is recognised for eQ in different quarters due to factors independent of the company, depending on the exits from private equity funds. The income from investment operations may vary considerably from quarter to quarter.

Proposal for the distribution of profit

The distributable means of the parent company on 31 December 2014 totalled EUR 59.4 million. The sum consisted of retained earnings of EUR 8.3 million and the means in the reserve for invested unrestricted equity of EUR 51.1 million.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.20 per share be paid out. The proposal corresponds to a dividend totalling EUR 7 345 439.60 calculated with the number of shares at the end of the financial year. Additionally, the Board proposes to the AGM that a return of capital of EUR 0.30 per share be paid out from the reserve for invested unrestricted equity. The proposal corresponds to a return of capital totalling EUR 11 018 159.40 calculated with the number of shares at the end of the financial year. The dividend and capital return shall be paid to those registered as shareholders in eQ Plc's shareholder register maintained by Euroclear Finland Ltd on 27 March 2015. The Board proposes 8 April 2015 as dividend payment date.

After the end of the financial period, no essential changes have taken place in the financial position of the company. The Board of Directors feel that the proposed distribution of profit does not endanger the liquidity of the company.

Events after the period under review

In the Investments segment, private equity funds in which eQ has made investments have announced exits that have not been realised during the financial period. If the announced exits will be carried out according to plan, the cash flow from the exits that eQ will receive after the period under review, in the first or second



quarter of 2015, is estimated to be about EUR 2.2 million, of which the estimated distribution of profits accounts for about EUR 0.3 million.

eQ Plc's has updated its dividend policy after the end of the financial year. According to the new policy, eQ Plc aims at distributing the profit for the financial year as dividend. In addition to the dividend, eQ Plc may return capital to its shareholders from the reserve for invested unrestricted equity. The return of capital can be paid from the net cash flows of the capital returns and capital calls from own private equity funds operations. When deciding on the dividend and return of capital, if any, the company shall take into consideration its liquidity, the capital requirements set by authorities and development needs of business operations.

Outlook

The asset management business grew well last year, which gives an excellent starting point for 2015. We expect that the yields and operating profit of the asset management segment will grow in 2015. Last year was especially good for the Corporate Finance segment. The number of assignments continues to be at a good level, but it may be challenging to reach last year's profit level in 2015. Based on this, we believe that the total income and operating profit of Client Operations will grow in 2015, as compared with 2014. The cash flow of the Investments segment is expected to continue to be strongly positive. The result of the business operations is, on the other hand, mainly dependent of factors that are independent of the company. Consequently, the operating profit of the Investments segment may vary considerably and is difficult to foresee.

eQ Plc
Board of Directors



TABLES

Principles for drawing up the report

The financial statements release has been prepared in accordance with IFRS standards and the IAS 34 Interim Reports standard, approved by the EU. At the beginning of the financial period, the company has adopted certain new or amended IFRS standards and IFRIC interpretations. However, the introduction of these new or amended standards has not had any major impact on the reported figures. For other parts, the Group has applied the same accounting principles as in the financial statements for the year 2013. The calculation principles and formulas of the key ratios remain unaltered, and they have been presented in the financial statements for 2013.

The income of eQ's own investment operations is recognised due to factors independent of the company. Due to this, the net income from available-to-sale financial assets may vary considerably.

On 30 September 2013, eQ increased its holding in Finnreit Fund Management Company Ltd from 50 to 100 per cent. Finnreit Fund Management Company has been consolidated as subsidiary from 1 October 2013.

The financial statements figures presented in this release are based on the company's audited financial statements. The Auditors' Report has been issued on 12 February 2015.

CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-12/14	1-12/13	10-12/14	10-12/13
Fee and commission income	23 147	15 670	7 383	4 645
Net income from foreign exchange dealing	-16	-24	-14	-7
Interest income	22	28	5	16
Net income from available-for-sale financial assets	834	3 430	768	500
Other operating income	710	-	-	-
Operating income, total	24 698	19 105	8 142	5 154
Fee and commission expenses	-243	-269	-67	-59
Interest expenses	-16	-69	-1	-11
NET REVENUE	24 438	18 767	8 074	5 084
Administrative expenses				
Personnel expenses	-10 741	-8 052	-3 387	-2 403
Other administrative expenses	-1 914	-2 263	-615	-559
Depreciation on tangible and intangible assets	-763	-1 388	-205	-449
Other operating expenses	-1 943	-2 136	-472	-562
Impairment losses of other financial assets	-38	-	-	-
OPERATING PROFIT (-LOSS)	9 040	4 928	3 395	1 111
Share of associated companies' results	-	-71	-	-
PROFIT BEFORE TAXES	9 040	4 857	3 395	1 111
Income tax	-1 923	-1 443	-703	-275
PROFIT (LOSS) FOR THE PERIOD	7 118	3 414	2 692	835



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-12/14	1-12/13	10-12/14	10-12/13
Other comprehensive income: Items that may be reclassified subsequently to the income statement:				
Available-for-sale financial assets, net	3 041	-1 083	-496	-516
Translation differences	5	15	16	-1
Other comprehensive income after taxes	3 046	-1 068	-480	-517
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10 164	2 346	2 213	319
Profit for the period attributable to:				
Equity holders of the parent company	7 101	3 487	2 698	864
Non-controlling interests	16	-73	-6	-29
Comprehensive income for the period attributable to:				
Equity holders of the parent company	10 147	2 419	2 219	348
Non-controlling interests	16	-73	-6	-29
Earnings per share calculated from the profit of equity holders of the parent company				
Earnings per average share, EUR	0.20	0.10	0.07	0.02
Diluted earnings per average share, EUR	0.19	0.09	0.07	0.02



CONSOLIDATED BALANCE SHEET, 1 000 EUR

31 Dec. 2014 31 Dec. 2013

ASSETS		
Liquid assets	19	28
Claims on credit institutions	17 263	9 955
Claims on the public and public sector entities	-	1 300
Available-for-sale financial assets		
Financial securities	4 051	51
Private equity investments	27 260	30 600
Intangible assets	30 441	31 120
Tangible assets	457	116
Other assets	5 368	2 214
Accruals and prepaid expenditure	1 050	1 647
Income tax receivables	485	96
Deferred tax assets	257	527
TOTAL ASSETS	86 652	77 653
LIABILITIES AND EQUITY		
LIABILITIES		
Other liabilities	2 886	2 618
Accruals and deferred income	4 029	2 382
Income tax liabilities	1 413	131
Deferred tax liabilities	854	732
TOTAL LIABILITIES	9 183	5 863
EQUITY		
Attributable to equity holders of the parent company:		
Share capital	11 384	11 384
Fair value reserve	475	-2 567
Translation difference	14	10
Reserve for invested unrestricted equity	52 947	52 167
Retained earnings	5 548	7 654
Profit (loss) for the period	7 101	3 487
Attributable to non-controlling interests	-	-345
TOTAL EQUITY	77 469	71 790
TOTAL LIABILITIES AND EQUITY	86 652	77 653



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-12/2014	1-12/2013
CASH FLOW FROM OPERATIONS		
Operating profit	9 040	4 929
Depreciation and write-downs	1 998	2 438
Interest income and expenses	-6	41
Transactions with no related payment transactions	-558	337
Available-for-sale investments, change	1 950	5 883
Change in working capital		
Business receivables, increase (-) / decrease (+)	-1 165	1 473
Interest-free debt, increase (+) / decrease (-)	2 691	-1 722
Total change in working capital	1 525	-249
Cash flow from operations before financial items and taxes	13 949	13 378
Interests received	22	28
Interests paid	-16	-69
Taxes	-1 363	-1 870
CASH FLOW FROM OPERATIONS	12 592	11 467
CASH FLOW FROM INVESTMENTS		
Acquisition of subsidiaries excluding acquired cash	-	-1 932
Investments in intangible and tangible assets	-445	-438
CASH FLOW FROM INVESTMENTS	-445	-2 370
CASH FLOW FROM FINANCING		
Dividends paid	-5 466	-4 411
Income from share issue	781	291
Annulment of own shares	-161	-
Repayments of loans	-	-4 000
Changes in subsidiary holdings	-	-386
CASH FLOW FROM FINANCING	-4 846	-8 505
INCREASE/DECREASE IN LIQUID ASSETS	7 301	593
Liquid assets on 1 Jan.	9 982	9 389
Liquid assets on 31 Dec.	17 283	9 982



CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY, EUR 1 000

	Equity attributable to equity holders of the parent company						Share of non-controlling interests	Total equity
	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total		
Shareholders' equity on 1 Jan. 2013	11 384	51 875	-1 484	-5	11 758	73 528	77	73 604
Profit (loss) for the period					3 487	3 487	-73	3 414
Other comprehensive income								
Available-for-sale financial assets			-1 083			-1 083		-1 083
Translation differences				15		15		15
Total comprehensive income			-1 083	15	3 487	2 419	-73	2 346
Dividend distribution					-4 411	-4 411		-4 411
Share issue		291				291		291
Options granted					338	338		338
Other changes					-31	-31		-31
Changes in subsidiary holdings							-348	-348
Shareholders' equity on 31 Dec. 2013	11 384	52 167	-2 567	10	11 141	72 135	-345	71 790
Shareholders' equity on 1 Jan 2014	11 384	52 167	-2 567	10	11 141	72 135	-345	71 790
Profit (loss) for the period					7 101	7 101	16	7 118
Other comprehensive income								
Available-for-sale financial assets			3 041			3 041		3 041
Translation differences				5		5		5
Total comprehensive income			3 041	5	7 101	10 147	16	10 164
Dividend distribution					-5 466	-5 466		-5 466
Share issue		781				781		781
Options granted					152	152		152
Annulment of own shares					-161	-161		-161
Changes in subsidiary holdings					-118	-118	328	210
Shareholders' equity on 31 Dec. 2014	11 384	52 947	475	14	12 649	77 469	0	77 469



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1–12/14	1–12/13	10–12/14	10–12/13
Asset management fees				
Management fees from traditional asset management	8 749	7 539	2 311	1 925
Real estate and private equity management fees	6 088	4 408	1 657	1 262
Other fee income	804	1 329	333	292
Performance fees	1 186	236	348	236
Total	16 827	13 511	4 651	3 715
Corporate Finance fees	6 319	2 159	2 732	930
Fee and commission income, total	23 147	15 670	7 383	4 645

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	31 Dec. 2014		31 Dec. 2013	
	Fair value	Book value	Fair Value	Book value
Financial assets				
Available-for-sale financial assets				
Private equity investments	27 260	27 260	30 600	30 600
Financial securities	4 051	4 051	51	51
Loan receivables	-	-	1 300	1 300
Accounts receivable and other receivables	3 220	3 220	950	950
Liquid assets	17 283	17 283	9 982	9 982
Total	51 813	51 813	42 883	42 883
Financial liabilities				
Accounts payable and other liabilities	448	448	221	221
Total	448	448	221	221

The table shows the fair values and book values of financial assets and liabilities per balance sheet item. The assessment principles of fair values are presented in the accounting principles. The original book value of accounts receivable and accounts payable corresponds to their fair value, as the impact of discounting is not essential taking into account the maturity of the receivables and liabilities.

Value of financial instruments across the three levels of the fair value hierarchy

	31 Dec. 2014		31 Dec. 2013	
	Level 1	Level 3	Level 1	Level 3
Available-for-sale financial assets				
Private equity investments	-	27 260	-	30 600
Financial securities	4 051	-	5	46
Total	4 051	27 260	5	30 647



Level 3 reconciliation – Available-for-sale financial assets:

	Private equity investments	Financial securities	Total
Opening balance on 1 Jan. 2014	30 600	46	30 652
Calls	2 292	-	2 292
Returns	-8 241	-46	-8 287
Impairment loss	-1 198	-	-1 198
Change in fair value	3 807	-	3 807
Closing balance on 31 Dec. 2014	27 260	0	27 260

	Private equity investments	Financial securities	Total
Opening balance on 1 Jan. 2013	38 691	45	38 736
Calls	3 046	-	3 046
Returns	-8 928	-	-8 928
Impairment loss	-1 050	-	-1 050
Change in fair value	-1 158	1	-1 157
Closing balance on 31 Dec. 2013	30 600	46	30 647

Level 1 comprises liquid assets the value of which is based on quotes in the liquid market. A market where the price is easily available on a regular basis is regarded as a liquid market.

The fair values of level 3 instruments are based on the value of the fund according to the management company of the fund and their use in widely used valuation models. Private equity investments are valued in accordance with a practice widely used in the sector, International Private Equity and Venture Capital Guidelines. The impairment losses of private equity investments are based on the management's assessment, as described in the principles for preparing the financial statements. During the period under review, no transfers took place between the levels of the fair value hierarchy



PRIVATE EQUITY INVESTMENTS, EUR 1 000

	Market value		Acquisition cost		Unrealised value change*	
	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13
Funds managed by eQ:						
Funds of funds:						
eQ PE VI North LP	456	491	398	419	58	72
Amanda V East LP	1 737	1 573	1 803	1 553	-66	20
Amanda IV West LP	3 790	2 930	3 186	3 017	604	-86
Amanda III Eastern PE LP	8 107	7 556	6 934	6 728	1 174	829
Eur Fund Inv. LP (EFI II)	324	361	358	415	-34	-54
First Eur Fund Inv. UK LP	0	3	0	223	0	-220
Total	14 414	12 915	12 678	12 355	1 736	560
Funds managed by others:						
Large buyout funds	7 729	9 564	7 455	10 850	274	-1 286
Midmarket funds	3 806	6 691	4 979	8 823	-1 174	-2 133
Venture funds	1 311	1 430	1 550	1 781	-239	-351
Total	27 260	30 600	26 663	33 810	597	-3 210

*Unrealised value change before taxes

REMAINING INVEST COMMITMENTS OF PRIVATE EQUITY FUND INVESTMENTS, EUR 1 000

	Investment commitment	
	31.12.14	31.12.13
Funds managed by eQ:		
Funds of funds:		
eQ PE VI North LP	4 550	2 581
Amanda V East LP	2 870	3 120
Amanda IV West LP	934	1 609
Amanda III Eastern PE LP	770	1 412
Eur Fund Inv. LP (EFI II)	31	37
First Eur Fund Inv. UK LP	0	35
Total	9 155	8 793
Funds managed by others:		
Large buyout funds	534	1 120
Midmarket funds	1 141	1 214
Venture funds	115	115
Total	10 945	11 242



MARKET VALUE OF PRIVATE EQUITY FUND INVESTMENTS BASED ON THE YEAR OF ESTABLISHMENT, EUR 1 000

	31.12.14	31.12.13
-2000	1 016	1 303
2001-2005	3 407	6 281
2006-2010	22 381	22 526
2011-	456	491
Total	27 260	30 600

REMAINING INVEST COMMITMENTS OF PRIVATE EQUITY FUND INVESTMENTS BASED ON THE YEAR OF ESTABLISHMENT, EUR 1 000

	31.12.14	31.12.13
-2000	187	222
2001-2005	849	1 181
2006-2010	5 359	7 257
2011-	4 550	2 581
Total	10 945	11 242



SEGMENT INFORMATION, EUR 1 000

1-12/14	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	16 827	6 319	-	-		23 147
From other segments	300	-	-	-	-300	-
Net income from foreign exchange dealing	-14	-	-	-2		-16
Interest income	-	-	-	22		22
Net income from available-for-sale financial assets	-	-	834	-		834
Other operating income	710	-	-	-		710
From other segments	-	-	-	77	-77	-
Operating income, total	17824	6 319	834	97	-377	24 698
Fee and commission expenses	-226	-	-	-17		-243
To other segments	-	-	-300	-	300	-
Interest expenses	-	-	-	-16		-16
NET REVENUE	17 597	6 319	534	64	-77	24 438
Administrative expenses						
Personnel expenses	-7 024	-2 715	-	-1 002		-10 741
Other administrative expenses	-1 439	-308	-	-244	77	-1 914
Depreciation on tangible and intangible assets	-705	-24	-	-34		-763
Other operating expenses	-1 332	-296	-	-315		-1 943
Impairment losses of other financial assets	-	-38	-	-		-38
OPERATING PROFIT (-LOSS)	7 098	2 939	534	-1 531	0	9 040
Income tax				-1 923		-1 923
PROFIT (LOSS) FOR THE PERIOD				-3 453		7 118

1-12/13	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	13 511	2 159	-	-		15 670
From other segments	400	-	-	-	-400	-
Net income from foreign exchange dealing	-23	-	-	-1		-24
Interest income	-	-	-	28		28
Net income from available-for-sale financial assets	-	-	3 430	-		3 430
Other operating income	-	-	-	-		-
From other segments	-	-	-	76	-76	-
Operating income, total	13 888	2 159	3 430	103	-476	19 105
Fee and commission expenses	-267	-	-	-2		-269
To other segments	-	-	-400	-	400	-
Interest expenses	-	-	-	-69		-69
NET REVENUE	13 621	2 159	3 030	33	-76	18 767



1-12/13	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Administrative expenses						
Personnel expenses	-5 774	-1 253	-	-1 025		-8 052
Other administrative expenses	-1 806	-243	-	-290	76	-2 263
Depreciation on tangible and intangible assets	-1 350	-12	-	-26		-1 388
Other operating expenses	-1 552	-261	-	-323		-2 136
OPERATING PROFIT (-LOSS)	3 139	389	3 030	-1 631	0	4 928
Share of associated companies' results	-71	-	-	-		-71
PROFIT BEFORE TAXES	3 068	389	3 030	-1 631		4 857
Income tax				-1 443		-1 443
PROFIT (LOSS) FOR THE PERIOD				-3 074		3 414

10-12/14	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	4 651	2 732	-	-		7 383
From other segments	75	-	-	-	-75	-
Net income from foreign exchange dealing	-14	-	-	0		-14
Interest income	-	-	-	5		5
Net income from available-for-sale financial assets	-	-	768	-		768
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	4 712	2 732	768	25	-94	8 143
Fee and commission expenses	-64	-	-	-4		-67
To other segments	-	-	-75	-	75	-
Interest expenses	-	-	-	-1		-1
NET REVENUE	4 648	2 732	693	20	-19	8 075
Administrative expenses						
Personnel expenses	-2 019	-1 084	-	-285		-3 387
Other administrative expenses	-476	-104	-	-54	19	-615
Depreciation on tangible and intangible assets	-175	-14	-	-16		-205
Other operating expenses	-289	-89	-	-94		-472
OPERATING PROFIT (-LOSS)	1 689	1 442	693	-429	0	3 395
Income tax				-703		-703
PROFIT (LOSS) FOR THE PERIOD				-1 132		2 692



10-12/13	Asset Man.	Corporate Finance	Investments	Other	Eliminations	Group Total
Fee and commission income	3 715	930	-	-		4 645
From other segments	100	-	-	-	-100	-
Net income from foreign exchange dealing	-7	-	-	0		-7
Interest income	-	-	-	16		16
Net income from available-for-sale financial assets	-	-	500	-		500
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	3 808	930	500	35	-119	5 154
Fee and commission expenses	-59	-	-	-		-59
To other segments	-	-	-100	-	100	-
Interest expenses	-	-	-	-11		-11
NET REVENUE	3 748	930	400	24	-19	5 084
Administrative expenses						
Personnel expenses	-1 642	-469	-	-292		-2 403
Other administrative expenses	-438	-77	-	-63	19	-559
Depreciation on tangible and intangible assets	-439	-4	-	-6		-449
Other operating expenses	-428	-63	-	-71		-562
OPERATING PROFIT (-LOSS)	802	317	400	-409	0	1 111
Income tax				-275		-275
PROFIT (LOSS) FOR THE PERIOD				-684		835

The fee and commission income of the Asset Management segment from other segments comprises the management fee income from eQ Group's own investments in private equity funds. The corresponding expenses are allocated to the Investments segment. Under the item Other, income from other segments comprises the administrative services provided by Group administration to other segments and the undivided interest income and expenses. The item Other also includes the undivided personnel, administration and other expenses allocated to Group administration. The taxes not distributed to the segments are also presented under the item Other.

The highest operative decision-making body does not follow assets and liabilities at segment level, due to which the Group's assets and liabilities are not presented as divided between the segments.

In 2014, the other income of the Asset Management segment includes EUR 0.7 million of non-recurring items related to the adjustment of the additional purchase price of the Finnreit Fund Management Company Ltd deal made in 2013



SOLVENCY, EUR 1 000

	CRR 31.12.2014 eQ Group	CRR 31.12.2013 eQ Group	CRD III 31.12.2013 eQ Group
Own capital	77 469	71 790	71 790
Common equity tier 1 (CET 1) before deductions	77 469	71 790	71 790
Deductions from CET 1			
Intangible assets	-30 269	-31 120	-31 120
Fair value reserve	-475	0	2 567
Other deductions	0	-869	0
Profit for the year	-7 118	-3 414	-3 414
Dividend proposal by the Board*	-11 246	-2 052	-2 052
Common equity tier 1 (CET1)	28 363	34 335	37 770
Additional tier 1 (AT1)	0	0	0
Tier 1 (T1 = CET1 + AT1)	28 363	34 335	37 770
Tier 2 (T2)	0	0	0
Fair value reserve	0	0	-2 567
Total capital (TC = T1 + T2)	28 363	34 335	35 203
Risk-weights, total	114 995	114 022	114 022
of which credit risk	71 571	69 900	69 900
of which market risk – currency risk	2 835	5 275	5 275
of which operative risk	40 589	38 847	38 847
Common equity tier 1 (CET1) / risk-weights, %	24.7%	30.1%	33.1%
Tier 1 (T1) / risk-weights, %	24.7%	30.1%	33.1%
Total capital (TC) / risk-weights, %	24.7%	30.1%	30.9%
Minimum solvency ratio, %	42.3%	49.1%	

Own capital and solvency as of 31 December 2014 have been presented according to EU's solvency decree (EU 575/2013) (CRD IV/CRR), which became effective on 1 January 2014. The comparison figures have been presented based on both regulations valid on 31 December 2013 (CRD III) and the new regulations (CRR).

*Dividend and capital return proposal above profit for the year.



GROUP KEY RATIOS

31 Dec. 2014 31 Dec. 2013

Profit (loss) to the equity holders of the parent company, EUR 1 000	7 101	3 487
Earnings per average share, EUR	0,20	0.10
Diluted earnings per average share, EUR	0.19	0.09
Equity per share, EUR	2.11	1.97
Equity per average share, EUR *)	2.13	1.97
Return on investment, ROI % p.a.	9.6	4.7
Return on equity, ROE % p.a.	9.5	4.7
Equity to assets ratio, %	89.4	92.4
Share price at the end of the period, EUR	4.00	2.29
Market value, EUR million	146.91	83.45
Number of personnel at the end of the period	81	82

*) Weighted average number of shares outstanding.

RELATED PARTY TRANSACTIONS

Open balances with key persons belonging to the company management

On 4 September 2012, eQ Plc's Board decided to grant an interest-bearing loan in the amount of EUR 1.3 million to a company wholly owned by Mikko Koskimies, who had been appointed Managing Director of eQ Asset Management Ltd and member of eQ Group's Management Team for financing a purchase of shares in eQ Plc as part of the management's long-term incentive scheme. The loan was fully repaid to the company during the financial period 2014 (on 31 Dec. 2013 the open receivable was EUR 1.3).

Transactions with related parties and receivables from related parties, EUR 1 000

Associated companies - Finnreit Fund Management Company Ltd, associated company till 30 September 2013.

	1-12/14	1-12/13
Sales	-	156
Receivables	-	-

REMAINING COMMITMENTS

On 31 December 2014, eQ's remaining commitments in private equity funds totalled EUR 10.9 million (EUR 11.2 million on 31 Dec. 2013). Other commitments at the end of the period totalled EUR 3.6 million (EUR 0.4 million on 31 Dec. 2013).