

2016

HALF YEAR FINANCIAL REPORT





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eQ PLC'S HALF YEAR FINANCIAL REPORT 2016 – eQ GROUP'S SUCCESS CONTINUES, OPERATING PROFIT GREW BY 29%

January to June 2016 in brief

- During the period under review, the Group's net revenue grew by 22 per cent to EUR 18.4 million (EUR 15.0 million from 1 Jan. to 30 June 2015).
 - The Group's net fee and commission income increased to EUR 17.7 million (EUR 14.1 million).
 - The Group's net investment income from own investment operations was EUR 0.6 million (EUR 0.9 million).
- The Group's operating profit grew by 29 per cent to EUR 8.1 million (EUR 6.3 million).
- The Group's profit was EUR 6.4 million (EUR 5.0 million).
- Consolidated earnings per share grew by 28 per cent to EUR 0.17 (EUR 0.14).
- The net cash flow from own investment operations was EUR 0.7 million (EUR 4.7 million from 1 Jan. to 30 June 2015) and the change in fair value was EUR -0.4 million (EUR 1.1 million).

April to June 2016 in brief

- In the second quarter, the Group's net revenue grew by 6 per cent to EUR 9.0 million (EUR 8.5 million from 1 Jan. to 30 June 2015).
 - The Group's net fee and commission income increased to EUR 8.7 million (EUR 7.9 million).
 - The Group's net investment income from own investment operations was EUR 0.3 million (EUR 0.6 million).
- The Group's operating profit grew by 5 per cent to EUR 4.0 million (EUR 3.8 million).
- The Group's profit was EUR 3.1 million (EUR 3.0 million).
- Consolidated earnings per share grew by 5 per cent to EUR 0.09 (EUR 0.08).

Key ratios	1-6/16	1-6/15	Change %	4-6/16	4-6/15	Change %	1-12/15
Net revenue, Group, M€	18.4	15.0	22%	9.0	8.5	6%	30.5
Net revenue, Asset Management, M€	12.1	11.2	8%	6.0	5.8	3%	21.7
Net revenue, Corporate Finance, M€	5.8	3.1	87%	2.8	2.2	28%	7.0
Net revenue, Investments, M€	0.5	0.8	-38%	0.2	0.5	-64%	1.8
Net revenue, Group admin. and eliminations, M€	0.0	0.0	0%	0.0	0.0	0%	0.0
Operating profit, Group, M€	8.1	6.3	29%	4.0	3.8	5%	13.2
Operating profit, Asset Management, M€	5.3	4.9	8%	2.7	2.6	4%	9.6
Operating profit, Corporate Finance, M€	3.0	1.4	111%	1.5	1.1	29%	3.4
Operating profit, Investments, M€	0.5	0.8	-38%	0.2	0.5	-64%	1.8
Operating profit, Group admin., M€	-0.8	-0.9	-14%	-0.4	-0.4	-21%	-1.6
Profit for the period, M€	6.4	5.0	28%	3.1	3.0	5%	10.5



Key ratios	1-6/16	1-6/15	Change %	4-6/16	4-6/15	Change %	1-12/15
Earnings per share, €	0.17	0.14	28%	0.09	0.08	5%	0.29
Equity per share, €	1.58	1.77	-11%	1.58	1.77	-11%	1.91
Cost/income ratio, Group, %	54.9	56.7	-3%	54.9	54.4	1%	55.1
Liquid assets, M€	7.5	13.7	-45%	7.5	13.7	-45%	21.6
Private equity investments, M€	22.0	24.6	-11%	22.0	24.6	-11%	22.5
Interest-bearing liabilities, M€	0.0	0.0	0%	0.0	0.0	0%	0.0
Assets under management, € billion	8.2	7.8	5%	8.2	7.8	5%	7.6

Janne Larma, CEO

eQ's success continued in the second quarter. In the first half of the year, the net revenue of the Group grew by 22 per cent to EUR 18.4 million and the operating profit by 29 per cent to EUR 8.1 million. The first half of the year has been challenging for equity investors, as the market has been very volatile. At the beginning of the year, share prices plummeted, but recovered later in spring. In May and June, prices fluctuated again greatly in both directions due to the Brexit referendum. Due to the market situation, the returns for the first six months were round zero. The best returns came from emerging market equities (4.1% MSCI) and the poorest from European equities (-7.2% MSCI). Bonds gave an excellent return, and the return of the 10-year German Government bond already fell below zero and was -0.13% at the end of June.

eQ Asset Management succeeded excellently in a difficult market situation

The excellent development of eQ Asset Management's business continued in the second quarter. In the first six months, the net revenue of the Asset Management segment increased by 8 per cent to EUR 12.1 million and the operating profit by 8 per cent to EUR 5.3 million. The increase of the net revenue was based on the growth of real estate and private equity asset management. The sales of the real estate funds continued to be very strong during the first six months, and new subscriptions worth EUR 138 million were made in our two real estate funds. Our private equity asset management was also very successful during the first half of the year. We raised a record amount of capital, EUR 160 million, to our latest private equity fund eQ PE VIII North, which makes investments in Northern Europe. In addition, we have obtained several new mandate clients to our private equity asset management. One of the major deals was a private equity mandate of almost EUR 80 million, where the investors are the Federation of Finnish Technology Industries, Technology Industries of Finland Centennial Foundation and nine other technical and technology sector foundations and associations. Within traditional asset management, the assets under management decrease from the year before due to market development, and the fee and commission income was lower than in the comparison period 2015.

Advium's profit more than doubled

Advium's positive development continued in the second quarter. Advium acted, for instance, as advisor to the Finnish Government, as it sold 49.9 per cent of Patria to Norwegian Kongsberg, and to Viking Malt Oy as it bought three malting plants of Carlsberg Group. In addition, Advium acted as advisor to the LocalTapiola Group as it sold a 21,000 m² residential block to Nordea Life Assurance Finland. During the six-month period, Advium has acted as advisor in nine finalised transactions. As a result of these transactions, the net revenue of Advium almost doubled to EUR 5.8 million and the operating profit grew to EUR 3.0 million (EUR 1.4 million from 1 Jan. to 30 June 2015).

The result of the Investments segment lower than last year

The net revenue and operating profit of the Investments segment were lower than last year, both EUR 0.5 million (EUR 0.8 million from 1 Jan. to 30 June 2015). The net cash flow from investments was also lower



than last year, EUR 0.7 million (EUR 4.7 million). During the period under review, there occurred less exits from the private equity funds and more capital calls than during the comparison period.

With confidence into the second half

The third quarter has started off with a positive trend in the equity market, and this combined with the strong sales of the real estate and private equity asset management during the first half lays a good foundation for eQ Asset Management's operations. Advium's commission income was exceptionally high in the first half, as several success fees were allocated to this period. Advium's mandate base is still at a good level, but the number of finalised transactions is expected to be lower than in the first half.

eQ's half year financial report 1 January to 30 June 2016 is enclosed to this release and it will also be available on 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 managed by the Group total approximately EUR 8.2 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 HALF YEAR FINANCIAL REPORT 2016

Result of operations and financial position 1 January to 30 June 2016

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Operating environment

In the second quarter of 2016, central themes in the investment market were global economic growth, central bank policies and the EU referendum in the UK. Greece made headlines in May, but the country managed to make the necessary savings decisions and thereby secured continued financing. Economic growth corresponded to expectations, but the result development of listed companies remained below forecasts. Among central banks, the ECB launched a purchase programme of corporate bonds, which it had decided on earlier, but the other major central banks took no new measures.

Above all the equity market in Europe fluctuated in May and June as the likelihood of Brexit varied. As the UK decided to leave the EU, in accordance with the referendum held on 23 June, the bond, equity and currency markets reacted extremely strongly. For example the Stoxx 600 Index, which describes the whole of Europe, fell by 7 per cent the day following the Brexit decision, and the British pound fell by almost 6 per cent in a day. During the week after the decision, the market calmed down, however, and at many exchanges, the share prices returned to the levels preceding Brexit. The negotiation process will be long.

Despite the strong fluctuations, the main part of the equity market improved in the second quarter. As for the major indices, the rise varied between 2 and 5 per cent. MSCI Europe remained 0.2 per cent negative, however. When measuring the development since the beginning of the year, only the equity indices of the U.S. and emerging markets have developed positively – in the U.S., the rise in dollars was 3.5 per cent and in euros 1.2 per cent, while emerging markets rose by 4.1 per cent. At the end of the second quarter, share prices in Europe were 7.2 per cent, in Finland 1.0 per cent and in Japan 7.7 per cent below the level of the turn of the year.

The nervousness in the equity market spread from time to time to high yield and emerging market bonds, but as a whole, bond investments gave a good return in the second quarter of 2016, depending on the asset type between 1.7 and 3.7 per cent. With regard to the interest rate level, the returns have been very good



even since the beginning of the year. The best return – no less than 7.4 per cent – was provided by emerging market corporate bonds. Since the beginning of the year, euro government bonds gave a 5.7 per cent, IG corporate bonds a 4.1 per cent and European high yield bonds a 3.8 per cent return.

Major events during the period under review

The Annual General Meeting of eQ Plc was held on 30 March 2016. Timo Kokkila (M.Sc., born 1979) was elected new Board member. Christina Dahlblom, who has been on eQ Plc's Board since 2012, left the Board. Georg Ehrnrooth continues as Chairman of the Board. The decisions by the Annual General Meeting have been presented in a separate chapter below.

Group net revenue and result development

During the period under review, the Group's net revenue totalled EUR 18.4 million (EUR 15.0 million from 1 Jan. to 30 June 2015). The Group's net fee and commission income increased to EUR 17.7 million (EUR 14.1 million). The Group's net investment income from own investment operations was EUR 0.6 million (EUR 0.9 million).

The Group's expenses and depreciation totalled EUR 10.3 million (EUR 8.8 million). Personnel expenses were EUR 7.9 million (EUR 6.5 million), other administrative expenses totalled EUR 1.0 million (EUR 0.9 million) and the other operating expenses were EUR 1.0 million (EUR 0.9 million). The personnel expenses grew from the previous year due to result-related remuneration and the accrued expense of EUR 0.3 million of the new 2015 option scheme. The option scheme accrual has no cash flow effect on the Group. Depreciation was EUR 0.3 million (EUR 0.4 million). Depreciation includes EUR 0.2 million (EUR 0.2 million) in depreciation of customer agreements allocated to intangible assets in connection with corporate acquisitions. The customer agreements will have been depreciated in their entirety in January 2017.

The Group's operating profit was EUR 8.1 million (EUR 6.3 million) and the profit for the period was EUR 6.4 million (EUR 5.0 million).

Business areas

Asset Management

eQ Asset Management offers 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 June, eQ had 26 mutual funds registered in Finland. In the second quarter, eQ's fixed-income funds gave good returns. The fixed-income funds also gave excellent returns during the entire six-month period, and the return of the eQ EM Corporate Bond Local Currency was almost 10 per cent. Only the returns of money market funds were round zero owing to the low interest rate level. The Morningstar classification of eQ's fixed-income funds is excellent and exceeds four stars on an average.

The strong fluctuation of equity funds continued in the second quarter, as the Brexit referendum shook the market. Most equity funds gave returns that were somewhat positive in the second quarter, however. The best development since the beginning of the year was seen in the emerging market equity funds eQ Russia, eQ Emerging Dividend and eQ Frontier. The returns varied between five and even over ten per cent. The weakest returns came from equity funds investing in Europe, both in the second quarter and since the beginning of the year, as the values fell by more than five per cent since the beginning of January. The best returns as compared with the benchmark indices came from the eQ Frontier and eQ Emerging Dividend funds. Of the funds managed by eQ, 64 per cent surpassed their benchmark indices in the second quarter and 86 per cent in the past three years. The returns of the discretionary asset management portfolios that eQ manages varied based on the allocation of the investment portfolio and were between -3 and +4 per cent.



Sales were especially good in eQ's real estate funds. The assets managed by eQ funds registered in Finland increased by EUR 128 million since the beginning of the year. At the end of the quarter, the assets in eQ's funds totalled about EUR 1 709 million (EUR 1 582 million on 31 December 2015).

Private Equity

The first close of the eQ PE VIII North private equity fund was held in February at a little over EUR 51 million. The second close of the fund was held on 15 April and the final close on 17 June. The capital raised reach a record amount of EUR 160 million. Altogether 80 investors joined the eQ PE VIII North fund, 38 of which are new investors in eQ's private equity funds. Three commitments have already been made from the fund in new funds to be established, and the fund has also bought from the secondary market a portfolio of German companies at a mature stage. In the second quarter, two new mandates were signed, and eQ established a non-UCITS fund structure registered in Finland for them. The assets managed under private equity operations grew during the second quarter and amounted to EUR 4 204 million at the end of the quarter (EUR 3 639 million on 31 Dec. 2015).

Real estate investments

The strong growth of the eQ Finnish Real Estate Fund continued, and at the end of the second quarter, new subscriptions for EUR 28 million were made in the fund. At the end of the quarter, the size of the fund was EUR 192 million, and its real estate property is almost EUR 275 million. The investment operations of the fund have been extremely successful, and the return since establishment was 9.8 per cent p.a. at the end of the quarter. The fund already has more than 900 unit holders.

The eQ Care Fund also grew considerably during the quarter, and new subscriptions totalling EUR 25 million were made in the fund. At the end of the quarter, the size of the fund was already EUR 338 million and its real estate assets totalled EUR 455 million. The return of the fund since establishment was 8.7 per cent p.a. at the end of the quarter, and the fund already has more than 2 000 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 third quarter, the assets managed by eQ Asset Management totalled EUR 8 184 million. The assets increased by a little more than EUR 550 million from the beginning of the year (EUR 7 634 million on 31 Jan. 2015). At the end of the period, the assets managed by mutual funds registered in Finland totalled EUR 1 709 million (EUR 1 582 million). Mutual funds managed by international partners and other assets covered by asset management operations totalled EUR 2 270 million (EUR 2 412 million). The assets managed under private equity funds and asset management totalled EUR 4 205 million (EUR 3 639 million). EUR 2 693 million (EUR 2 421 million) of these assets were covered by the reporting service.

Result of the Asset Management segment

During the period under review, the net revenue of the Asset Management segment increased by 8 per cent and the operating profit by 8 per cent to EUR 5.3 million (EUR 4.9 million from 1 Jan. to 30 June 2015). The fee and commission income of the segment increased by 8 per cent during the period under review. Particularly the management fees and performance fees from real estate and private equity asset management grew strongly. In addition to salary items that are dependent on the company result, expenses increased due to the accrued expenses of the 2015 option scheme. These option scheme expenses were approximately EUR 0.2 million during the period. The Asset Management segment had 65 employees at the end of the period, comprising four persons with part-time, fixed-term employment. Calculated as full-time resources, the number of personnel in the segment was 60 at the end of the period.

Asset Management	1-6/16	1-6/15	Change %	4-6/16	4-6/15	Change %	1-12/15
Net revenue, M€	12.1	11.2	8%	6.0	5.8	3%	21.7
Operating profit, M€	5.3	4.9	8%	2.7	2.6	4%	9.6
Assets under management, € billion	8.2	7.8	5%	8.2	7.8	5%	7.6
Cost/income ratio, %	54.4	53.7	1%	53.9	53.8	0%	53.5
Personnel	65	64	2%	65	64	2%	63

Fee and commission income, Asset Management, M€	1-6/16	1-6/15	Change %	4-6/16	4-6/15	Change %	1-12/15
Management fees from traditional asset management	3.7	4.7	-21%	1.9	2.4	-24%	9.0
Real estate and private equity management fees	6.3	3.9	62%	3.5	2.1	69%	8.7
Other fee and commission income	0.2	0.7	-68%	0.1	0.2	-49%	1.0
Performance fees	2.0	2.0	-1%	0.5	1.1	-54%	3.2
Total	12.2	11.3	8%	6.0	5.9	3%	22.0

Corporate Finance

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

The low interest rates and good availability of financing continue to contribute to a high activity among corporate and real estate transactions, despite the uncertainty caused by Brexit.

In the second quarter, Advium acted as advisor in four finalised transactions. Advium acted as advisor to the Finnish Government, as 49.9% of the Finnish defence company Patria was sold to Norwegian Kongsberg Gruppen. The purchase price of the shares is EUR 279 million. Advium also acted as advisor to Viking Malt Oy when Viking Malt made an agreement on the purchase of Danish Malting Group A/S from Carlsberg Group. In addition, Advium advised LocalTapiola Group when LocalTapiola General Mutual Insurance Company and LocalTapiola Mutual Life Insurance Company sold 100% of the shares in a jointly owned limited liability housing company As Oy Helsingin Vanhalinna to Nordea Life Assurance Finland Ltd in April. At the end of June, the company finalised an arrangement where Advium acted as financial advisor to the sellers, as they sold the entire share capital of Mediware Oy, which offers health care IT solutions and consulting, to the Norwegian health technology company CSAM Health AS.

Result of the Corporate Finance segment

Advium's net revenue during the period under review was EUR 5.8 million (EUR 3.1 million from 1 Jan. to 30 June 2015). The operating profit was EUR 3.0 million (EUR 1.4 million). The number of personnel in the Corporate Finance segment was 14 at the end of the period.

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	1-6/16	1-6/15	Change %	4-6/16	4-6/15	Change %	1-12/15
Net revenue, M€	5.8	3.1	87%	2.8	2.2	28%	7.0
Operating profit, M€	3.0	1.4	111%	1.5	1.1	29%	3.4
Cost/income ratio, %	47.9	53.8	-11%	48.0	48.3	-1%	51.8
Personnel	14	14	0%	14	14	0%	12



Investments

The business operations of the Investments segment consist of private equity investments made from eQ Group's own balance sheet.

In the first quarter, eQ Plc made a EUR 3.0 million investment commitment in the eQ PE VIII North Fund. eQ PE VIII North makes investments in private equity funds that invest in unlisted, small and mid-sized companies in Northern Europe.

During the period under review, the net revenue of the Investments segment totalled EUR 0.5 million (EUR 0.8 million from 1 Jan. to 30 June 2015). At the end of the period, the fair value of the private equity investments was EUR 22.0 million (EUR 22.5 million on 31 Dec. 2015) and the amount of the remaining investment commitments was EUR 11.7 million (EUR 10.3 million). Of the market value, 65 per cent has been invested in private equity funds managed by eQ. The breakdown of the market value and investment commitments of private equity investments per fund are presented on page 20.

During the period, the investment objects returned capital for EUR 1.5 million (EUR 4.3 million from 1 Jan. to 30 June 2015) and distributed a profit of EUR 0.9 million (EUR 1.4 million). Capital calls totalled EUR 1.7 million (EUR 1.0 million). The net cash flow from investments during the period was EUR 0.7 million (EUR 4.7 million). The Group's internal management fee expenses, which are included in the result of the Investments segment, totalled EUR 0.2 million (EUR 0.2 million). The write-downs recognised through profit and loss during the period totalled EUR 0.2 million (EUR 0.4 million from 1 Jan. to 30 June 2015).

The value change of investments in the fair value reserve before taxes was EUR -0.4 million (EUR 1.1 million). The unrealised value changes of investments in the fair value reserve after taxes were EUR 0.4 million (EUR 0.7 million on 31 Dec. 2015) at the end of the period. The return of eQ's own investment operations since the beginning of operations has been 21 per cent p.a. (IRR).

The return from 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 only makes new investments in funds managed by eQ.

Investments	1-6/16	1-6/15	Change %	4-6/16	4-6/15	Change %	1-12/15
Net revenue, M€	0.5	0.8	-38%	0.2	0.5	-64%	1.8
Operating profit, M€	0.5	0.8	-38%	0.2	0.5	-64%	1.8
Fair value of investments, M€	22.0	24.6	-11%	22.0	24.6	-11%	22.5
Investment commitments, M€	11.7	13.0	-10%	11.7	13.0	-10%	10.3

Balance sheet and solvency

At the end of the period under review, the consolidated balance sheet total was EUR 68.1 million (EUR 80.9 million on 31 Dec. 2015). At the end of the period, the shareholders' equity was EUR 57.9 million (EUR 70.0 million). During the period, the shareholders' equity was influenced by the profit for the period of EUR 6.4 million, the change in the fair value reserve of EUR -0,3 million, the dividend distribution of EUR -11,0 million, and the return of capital of EUR -7,3 million from the reserve for invested unrestricted equity. The changes are specified in detail in the tables attached to this release.

At the end of the period, liquid assets totalled EUR 4.5 million (EUR 16.6 million) and liquid investments in mutual funds EUR 3.0 million (EUR 5.0 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 under review, the Group had no interest-bearing liabilities (EUR 0.0 million). Interest-free long-term debt, which consists of the deferred tax liability, at the end of the period was EUR 0.6 million (EUR 0.6 million) and interest-free short-term debt EUR 9.6 million (EUR 10.3 million). eQ's equity to assets ratio was 85.1% (86.5%).

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 20.3% (19.8% on 31 Dec. 2014) at the end of June. The minimum



requirement for own funds is 8 per cent, while the Group's target is at least 12 per cent. At the end of the period, the Group's own funds based on solvency calculations totalled EUR 21.9 million (EUR 21.8 million on 31 Dec. 2015), and the risk-weighted items were EUR 108.0 million (EUR 110.1 million). 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 30 June 2016, the number of eQ Plc's shares was 36 727 198 and the share capital was EUR 11 383 873. There were no changes in the number or shares or share capital during the financial period.

The closing price of eQ Plc's share on 30 June 2016 was EUR 5.62 (EUR 6.50 on 31 Dec. 2015). The market capitalisation of the company was thus EUR 206.4 million (EUR 238.7 million) at the end of the period. During the period, 2 579 145 shares were traded on Nasdaq Helsinki (3 579 677 shares from 1 Jan. to 30 June 2015).

Own shares

At the end of the period, on 30 June 2016, eQ Plc held no own shares.

Shareholders

Ten major shareholders on 30 June 2016

	Shares	Share, %
1 Fennogens Investements S.A.	6 973 137	18.99
2 Chilla Capital S.A.	5 322 635	14.49
3 Ulkomarkkinat Oy	3 779 286	10.29
4 Teamet Oy	3 700 000	10.07
5 Mandatum Life Insurance Company	1 899 902	5.17
6 Oy Cevante Ab	1 419 063	3.86
7 Fazer Jan	1 360 709	3.70
8 Oy Hermitage Ab	1 158 882	3.16
9 Linnalex Ab	681 652	1.86
10 Louko Antti Jaakko	612 791	1.67
10 major shareholders, total	26 908 057	73.26
Nominee registered	179 252	0.49
Other shares	9 639 889	26.25
Total	36 727 198	100.00

On 30 June 2016, eQ Plc had 4 641 shareholders (4 432 shareholders on 31 Dec. 2015).

Option schemes

At the end of the period, eQ Plc had two option schemes. The option schemes are intended as part of the commitment system of the Group's key personnel.

Option scheme 2010

At the end of the period, altogether 1 700 000 options had been allocated from option scheme 2010. Of these options, altogether 370 000 had been exercised by the end of the period. The number of outstanding options was 1 330 000 at the end of the period. No options of the option scheme 2010 can any longer be allocated. Options 2010 of the option have been listed on Nasdaq Helsinki. 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.

Option scheme 2015

At the end of the period, altogether 1 575 000 options had been allocated from option scheme 2015. Altogether 200 000 options were returned to eQ during the period under review due to termination of employment. At the end of the period, there were still 425 000 options in option scheme 2015 available for allocation. The terms and conditions of the option scheme have been published in a stock exchange release of 5 November 2015, 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 Wednesday 30 March 2016 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 2015.

Decision in respect of the result shown on the balance sheet and the distribution of assets from the reserve for invested unrestricted equity

The AGM confirmed the proposal by the Board of Directors that a dividend of EUR 0.30 per share and a return of capital of EUR 0.20 from the reserve for invested unrestricted equity be paid out. The dividend and return of capital were paid to shareholders who, on the record date for the dividend payment, i.e. 1 April 2016, were recorded in the shareholder register held by Euroclear Finland Ltd. The payment date of the dividend and return of capital was 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, Georg Ehrnrooth, Annika Poutiainen and Jussi Seppälä were re-elected and Timo Kokkila was elected as a new member 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. The Directors will also be paid EUR 300 for each Board meeting that they attend. Travel and lodging costs will be compensated in accordance with the company's expense policy. The Board elected Georg Ehrnrooth 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 2.72 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 Helsinki Ltd 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, transferred further or cancelled. 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, in one or several transactions, comprising a maximum total of 5 000 000 new shares. The amount of the authorisation corresponded to approximately 13.61 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 84 (81 on 31 December 2015). The Asset Management segment had 65 (63) employees and the Corporate Finance segment 14 (12) employees. Group administration had 5 (6) employees. The personnel of the Asset Management segment comprises four person with part-time, fixed-term employment. Calculated as full-time resources, the Group had 79 employees at the end of the period.

The overall salaries to the employees of eQ Group during the period totalled EUR 7.9 million (EUR 6.5 million from 1 Jan. to 30 June 2015). The salary expenses grew from the previous year due to result-related remuneration and the accrued expense of EUR 0.3 million of the new 2015 option scheme.

Major risks and short-term uncertainties

The major single risk of the Group is the dependence of the operating income 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 highly dependent of the development of the capital market. The realisation of the performance 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 return 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.

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 period under review. 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 third or fourth quarter of 2016, is estimated to be about EUR 0.5 million, of which the estimated distribution of profits accounts for about EUR 0.3 million.

On 4 July 2016, eQ Plc published a flagging announcement where Mandatum Life Insurance Company announced that it had sold shares so that its holding in the company fell below the 5 per cent flagging threshold. In addition, eQ Plc published on 4 July 2016 a flagging announcement where Anchor Oy Ab announced that it had purchased shares so that its holding in the company exceeded the 5 per cent flagging threshold.

After the period under review, Advium acted as advisor to the seller when the DEGI Europe Fund managed by Aberdeen and owned by Commerzbank sold Tieto's head quarter office property in Lassila, Helsinki, to Veritas Pension Insurance Company.

eQ Plc
Board of Directors



TABLES

Principles for drawing up the report

The half year financial report has been prepared in accordance with IFRS standards and the IAS 34 Interim Reports standard, approved by the EU.

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.

The report has not been audited.

CONSOLIDATED INCOME STATEMENT, EUR 1 000

	1-6/16	1-6/15	4-6/16	4-6/15	1-12/15
Fee and commission income	17 836	14 229	8 764	7 993	28 704
Net income from foreign exchange dealing	-	3	-	-3	-16
Interest income	2	2	0	2	2
Net income from available-for-sale financial assets	636	935	255	577	2 061
Other operating income	1	-	1	-	-
Operating income, total	18 475	15 169	9 020	8 568	30 752
Fee and commission expenses	-99	-125	-51	-65	-232
Interest expenses	0	-3	0	-3	0
NET REVENUE	18 376	15 042	8 969	8 501	30 520
Administrative expenses					
Personnel expenses	-7 948	-6 521	-3 861	-3 601	-12 661
Other administrative expenses	-1 023	-937	-517	-477	-1 936
Depreciation on tangible and intangible assets	-342	-369	-159	-186	-742
Other operating expenses	-987	-943	-475	-478	-1 956
OPERATING PROFIT (LOSS)	8 076	6 272	3 957	3 759	13 225
Income tax	-1 692	-1 291	-824	-768	-2 755
PROFIT (LOSS) FOR THE PERIOD	6 385	4 981	3 134	2 991	10 470



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-6/16	1-6/15	4-6/16	4-6/15	1-12/15
Other comprehensive income:					
Items that may be reclassified subsequently to the income statement:					
Available-for-sale financial assets, net	-337	906	-362	315	226
Translation differences	-	-1	-	2	-14
Other comprehensive income after taxes	-337	905	-362	317	211
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6 047	5 886	2 772	3 309	10 681
Profit for the period attributable to:					
Equity holders of the parent company	6 385	4 981	3 134	2 991	10 470
Non-controlling interests	-	-	-	-	-
Comprehensive income for the period attributable to:					
Equity holders of the parent company	6 047	5 886	2 772	3 309	10 681
Non-controlling interests	-	-	-	-	-
Earnings per share calculated from the profit of equity holders of the parent company					
Earnings per average share, EUR	0.17	0.14	0.09	0.08	0.29
Diluted earnings per average share, EUR	0.17	0.13	0.08	0.08	0.28



CONSOLIDATED BALANCE SHEET, EUR 1 000

	30 June 2016	30 June 2015	31 Dec. 2015
ASSETS			
Liquid assets	51	41	53
Claims on credit institutions	4 494	8 586	16 571
Available-for-sale financial assets			
Financial securities	3 007	5 059	5 042
Private equity investments	22 033	24 622	22 456
Intangible assets	29 677	30 158	29 960
Tangible assets	422	441	393
Other assets	5 726	3 983	5 070
Accruals and prepaid expenditure	2 041	925	860
Income tax receivables	329	49	271
Deferred tax assets	318	144	220
TOTAL ASSETS	68 098	74 009	80 896
LIABILITIES AND EQUITY			
LIABILITIES			
Other liabilities	3 091	3 628	2 874
Accruals and deferred income	5 882	3 671	6 099
Income tax liabilities	615	866	1 284
Deferred tax liabilities	562	797	637
TOTAL LIABILITIES	10 150	8 962	10 895
EQUITY			
Attributable to equity holders of the parent company:			
Share capital	11 384	11 384	11 384
Fair value reserve	363	1 380	700
Translation difference	-	14	-
Reserve for invested unrestricted equity	34 584	41 929	41 929
Retained earnings	5 234	5 359	5 518
Profit (loss) for the period	6 385	4 981	10 470
TOTAL EQUITY	57 949	65 047	70 001
TOTAL LIABILITIES AND EQUITY	68 098	74 009	80 896



CONSOLIDATED CASH FLOW STATEMENT, EUR 1 000

	1-6/2016	1-6/2015	1-12/2015
CASH FLOW FROM OPERATIONS			
Operating profit	8 076	6 272	13 225
Depreciation and write-downs	547	797	1 170
Interest income and expenses	-1	1	-2
Transactions with no related payment transactions	264	33	188
Available-for-sale investments, change	1 804	2 339	3 667
Change in working capital			
Business receivables, increase (-) / decrease (+)	-1 831	1 956	978
Interest-free debt, increase (+) / decrease (-)	-1 265	-1 019	652
Total change in working capital	-3 096	937	1 630
Cash flow from operations before financial items and taxes	7 594	10 379	19 878
Interests received	2	2	2
Interests paid	0	-3	0
Taxes	-1 223	-600	-1 979
CASH FLOW FROM OPERATIONS	6 372	9 778	17 902
CASH FLOW FROM INVESTMENTS			
Investments in intangible and tangible assets	-87	-71	-198
CASH FLOW FROM INVESTMENTS	-87	-71	-198
CASH FLOW FROM FINANCING			
Dividends/capital returns paid	-18 364	-18 364	-18 364
CASH FLOW FROM FINANCING	-18 364	-18 364	-18 364
INCREASE/DECREASE IN LIQUID ASSETS	-12 078	-8 656	-659
Liquid assets on 1 Jan.	16 623	17 283	17 283
Liquid assets on 30 June/31 Dec.	4 545	8 627	16 623

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY, EUR 1 000

Equity attributable to equity holders of the parent company							
	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total	Total equity
Shareholders' equity on 1 Jan 2015	11 384	52 947	475	14	12 649	77 469	77 469
Profit (loss) for the period					4 981	4 981	4 981
Other comprehensive income							
Available-for-sale financial assets			906			906	906
Translation differences				-1		-1	-1
Total comprehensive income			906	-1	4 981	5 886	5 886
Dividend/return of capital		-11 018			-7 345	-18 364	-18 364
Options granted					34	34	34
Other changes					21	21	21
Shareholders' equity on 30 June 2015	11 384	41 929	1 380	14	10 340	65 047	65 047

Shareholders' equity on 1 Jan. 2016	11 384	41 929	700	0	15 988	70 001	70 001
Profit (loss) for the period					6 385	6 385	6 385
Other comprehensive income							
Available-for-sale financial assets			-337			-337	-337
Total comprehensive income			-337	0	6 385	6 047	6 047
Dividend/return of capital		-7 345			-11 018	-18 364	-18 364
Options granted					264	264	264
Shareholders' equity on 30 June 2016	11 384	34 584	363	0	11 618	57 949	57 949



FEE AND COMMISSION INCOME, GROUP, EUR 1 000

	1-6/16	1-6/15	4-6/16	4-6/15	1-12/15
Asset management fees					
Management fees from traditional asset management	3 692	4 700	1 863	2 437	8 976
Real estate and private equity fees	6 181	3 752	3 455	2 012	8 431
Other fee and commission income	229	716	112	218	1 033
Performance fees	1 953	1 963	521	1 126	3 235
Total	12 054	11 130	5 951	5 794	21 675
Corporate finance fees	5 782	3 099	2 814	2 199	7 029
Fee and commission income, total	17 836	14 229	8 764	7 993	28 704

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES, EUR 1 000

	30 June 2016		30 June 2015		31 Dec. 2015	
	Fair value	Book value	Fair value	Book value	Fair value	Book value
Financial assets						
Available-for-sale financial assets						
Private equity investments	22 033	22 033	24 622	24 622	22 456	22 456
Financial securities	3 007	3 007	5 059	5 059	5 042	5 042
Accounts receivable and other receivables	403	403	1 017	1 017	1 427	1 427
Liquid assets	4 545	4 545	8 627	8 627	16 623	16 623
Total	29 988	29 988	39 326	39 326	45 549	45 549
Financial liabilities						
Accounts payable and other liabilities	862	862	913	913	428	428
Total	862	862	913	913	428	428

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

	30 June 2016		30 June 2015		31 Dec. 2015	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Available-for-sale financial assets						
Private equity investments	-	22 033	-	24 622	-	22 456
Financial securities	3 007	-	5 059	-	5 042	-
Total	3 007	22 033	5 059	24 622	5 042	22 456



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

1-6/2016	Private equity investments
Opening balance on 1 Jan. 2016	22 456
Calls	1 732
Returns	-1 521
Impairment loss	-205
Change in fair value	-429
Closing balance on 30 June 2016	22 033

1-6/2015	Private equity investments
Opening balance on 1 Jan. 2015	27 260
Calls	951
Returns	-4 294
Impairment loss	-428
Change in fair value	1 133
Closing balance on 30 June 2015	24 622

1-12/2015	Private equity investments
Opening balance on 1 Jan. 2015	27 260
Calls	2 131
Returns	-6 464
Impairment loss	-428
Change in fair value	300
Sales	-343
Closing balance on 31 Dec. 2015	22 456

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*	
	30.6.16	31.12.15	30.6.16	31.12.15	30.6.16	31.12.15
Funds managed by eQ:						
Funds of funds:						
eQ PE VIII North LP	208	-	208	-	0	-
eQ PE VII US LP	141	192	186	186	-45	6
eQ PE VI North LP	732	364	845	419	-113	-55
Amanda V East LP	2 378	2 007	2 987	2 503	-608	-496
Amanda IV West LP	3 367	3 585	2 804	2 979	563	607
Amanda III Eastern PE LP	7 269	6 993	6 581	6 189	689	803
Eur Fund Inv. LP (EFI II)	229	257	346	351	-117	-94
Total	14 324	13 399	13 749	12 627	367	772
Funds managed by others:						
Large buyout funds	4 542	5 474	3 958	4 942	584	532
Midmarket funds	1 928	2 234	2 418	2 698	-489	-465
Venture funds	1 239	1 349	1 232	1 292	7	58
Total	22 033	22 456	21 357	21 558	468	897

*Unrealised value change before taxes

REMAINING INVESTMENT COMMITMENTS OF PRIVATE EQUITY INVESTMENTS, EUR 1 000

	Investment commitment	
	30.6.16	31.12.15
Funds managed by eQ:		
Funds of funds:		
eQ PE VIII North LP	2 792	-
eQ PE VII US LP	2 514	2 563
eQ PE VI North LP	1 997	2 432
Amanda V East LP	1 660	2 170
Amanda IV West LP	640	646
Amanda III Eastern PE LP	353	744
Eur Fund Inv. LP (EFI II)	35	35
Total	9 991	8 590
Funds managed by others:		
Large buyout funds	384	355
Midmarket funds	1 226	1 255
Venture funds	115	115
Total	11 716	10 316



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

	30.6.16	31.12.15
-2000	576	691
2001-2005	1 674	2 188
2006-2010	18 702	19 021
2011-	1 081	556
Total	22 033	22 456

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

	30.6.16	31.12.15
-2000	115	115
2001-2005	807	818
2006-2010	3 491	4 388
2011-	7 303	4 995
Total	11 716	10 316



SEGMENT INFORMATION, EUR 1 000

1-6/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	12 054	5 782	-	-		17 836
From other segments	150	-	-	-	-150	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	2		2
Net income from available-for-sale financial assets	-	-	636	-		636
Other operating income	1	-	-	-		1
From other segments	-	-	-	38	-38	-
Operating income, total	12 205	5 782	636	40	-188	18 475
Fee and commission expenses	-93	-	-	-6		-99
To other segments	-	-	-150	-	150	-
Interest expenses	-	-	-	0		0
NET REVENUE	12 112	5 782	486	34	-38	18 376
Administrative expenses						
Personnel expenses	-5 056	-2 434	-	-458		-7 948
Other administrative expenses	-750	-174	-	-137	38	-1 023
Depreciation on tangible and intangible assets	-317	-10	-	-15		-342
Other operating expenses	-671	-136	-	-180		-987
OPERATING PROFIT (LOSS)	5 318	3 028	486	-756	0	8 076
Income tax				-1 692		-1 692
PROFIT (LOSS) FOR THE PERIOD				-2 448		6 385

1-6/15	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	11 130	3 099	-	-		14 229
From other segments	150	-	-	-	-150	-
Net income from foreign exchange dealing	3	-	-	0		3
Interest income	-	-	-	2		2
Net income from available-for-sale financial assets	-	-	935	0		935
Other operating income	-	-	-	-		-
From other segments	-	-	-	38	-38	-
Operating income, total	11 283	3 099	935	41	-188	15 169
Fee and commission expenses	-119	-	-	-6		-125
To other segments	-	-	-150	-	150	-
Interest expenses	-	-	-	-3		-3
NET REVENUE	11 165	3 099	785	32	-38	15 042



1-6/15	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Administrative expenses						
Personnel expenses	-4 587	-1 382	-	-552		-6 521
Other administrative expenses	-681	-132	-	-163	38	-937
Depreciation on tangible and intangible assets	-340	-12	-	-18		-369
Other operating expenses	-627	-141	-	-175		-943
OPERATING PROFIT (LOSS)	4 930	1 432	785	-875	0	6 272
Income tax				-1 291		-1 291
PROFIT (LOSS) FOR THE PERIOD				-2 166		4 981

4-6/16	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	5 950	2 814	-	-		8 764
From other segments	75	-	-	-	-75	-
Net income from foreign exchange dealing	-	-	-	-		-
Interest income	-	-	-	0		0
Net income from available-for-sale financial assets	-	-	255	-		255
Other operating income	1	-	-	-		1
From other segments	-	-	-	19	-19	-
Operating income, total	6 026	2 814	255	19	-94	9 020
Fee and commission expenses	-48	-	-	-3		-51
To other segments	-	-	-75	-	75	-
Interest expenses	-	-	-	0		0
NET REVENUE	5 978	2 814	180	16	-19	8 969
Administrative expenses						
Personnel expenses	-2 454	-1 188	-	-219		-3 861
Other administrative expenses	-380	-94	-	-63	19	-517
Depreciation on tangible and intangible assets	-146	-6	-	-7		-159
Other operating expenses	-333	-64	-	-77		-475
OPERATING PROFIT (LOSS)	2 665	1 462	180	-350	0	3 957
Income tax				-824		-824
PROFIT (LOSS) FOR THE PERIOD				-1 174		3 134



4-6/15	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	5 794	2 199	-	-		7 993
From other segments	75	-	-	-	-75	-
Net income from foreign exchange dealing	-3	-	-	0		-3
Interest income	-	-	-	2		2
Net income from available-for-sale financial assets	-	-	577			577
Other operating income	-	-	-	-		-
From other segments	-	-	-	19	-19	-
Operating income, total	5 866	2 199	577	21	-94	8 568
Fee and commission expenses	-62	-	-	-3		-65
To other segments	-	-	-75	-	75	-
Interest expenses	-	-	-	-3		-3
NET REVENUE	5 804	2 199	502	15	-19	8 501
Administrative expenses						
Personnel expenses	-2 390	-937	-	-273		-3 601
Other administrative expenses	-355	-52	-	-90	19	-477
Depreciation on tangible and intangible assets	-170	-6	-	-9		-186
Other operating expenses	-325	-68	-	-85		-478
OPERATING PROFIT (LOSS)	2 564	1 136	502	-442	0	3 759
Income tax				-768		-768
PROFIT (LOSS) FOR THE PERIOD				-1 211		2 991



1-12/15	Asset Man.	Corporate Finance	Invest- ments	Other	Elimin- ations	Group Total
Fee and commission income	21 675	7 029	-	-		28 704
From other segments	300	-	-	-	-300	0
Net income from foreign exchange dealing	-15	-	-	0		-16
Interest income	-	-	-	2		2
Net income from available-for-sale financial assets	-	-	2 061	0		2 061
Other operating income	-	-	-	-		-
From other segments	-	-	-	77	-77	0
Operating income, total	21 960	7 029	2 061	79		30 752
Fee and commission expenses	-220	-	-	-12		-232
To other segments	-	-	-300	-	300	0
Interest expenses	-	-	-	0		0
NET REVENUE	21 740	7 029	1 761	67		30 520
Administrative expenses						
Personnel expenses	-8 668	-3 017	-	-976		-12 661
Other administrative expenses	-1 417	-303	-	-293	77	-1 936
Depreciation on tangible and intangible assets	-686	-24	-	-32		-742
Other operating expenses	-1 323	-294	-	-339		-1 956
OPERATING PROFIT (LOSS)	9 647	3 391	1 761	-1 573		13 225
Income tax				-2 755		-2 755
PROFIT (LOSS) FOR THE PERIOD				-4 328		10 470

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.



SOLVENCY, EUR 1 000

	CRR 30 June 2016 eQ Group	CRR 31 Dec. 2015 eQ Group
Own capital	57 949	70 001
Common equity tier 1 (CET 1) before deductions	57 949	70 001
Deductions from CET 1		
Intangible assets	-29 641	-29 882
Unconfirmed profit for the period	-6 385	-10 470
Dividend proposal by the Board*	0	-7 894
Common equity tier 1 (CET1)	21 923	21 755
Additional tier 1 (AT1)	0	0
Tier 1 (T1 = CET1 + AT1)	21 923	21 755
Tier 2 (T2)	0	0
Total capital (TC = T1 + T2)	21 923	21 755
Risk-weights, total	107 980	110 066
of which credit risk	56 791	58 577
of which market risk - currency risk	5 111	5 411
of which operative risk	46 078	46 078
Common equity tier 1 (CET1) / risk-weights, %	20,3 %	19,8 %
Tier 1 (T1) / risk-weights, %	20,3 %	19,8 %
Total capital (TC) / risk-weights, %	20,3 %	19,8 %
Minimum solvency ratio, %	43,7 %	35,5 %

*The dividend and return of capital proposed by the Board for the part that exceeds the profit for the period.



GROUP KEY RATIOS

	30 June 2016	30 June 2015	31 Dec. 2015
Profit (loss) for the period to the equity holders of the parent company, EUR 1 000	6 385	4 981	10 470
Earnings per average share, EUR	0.17	0.14	0.29
Diluted earnings per average share, EUR	0.17	0.13	0.28
Equity per share, EUR	1.58	1.77	1.91
Equity per average share, EUR *)	1.58	1.77	1.91
Return on investment, ROI % p.a.	20.0	14.0	14.2
Return on equity, ROE % p.a.	20.0	14.0	14.2
Equity to assets ratio, %	85.1	87.9	86.5
Cost/income ratio, Group, %	54.9	56.7	55.1
Share price at the end of the period, EUR	5.62	4.91	6.50
Market value, EUR million	206.4	180.3	238.7
Number of personnel at the end of the period	84	84	81

*) Weighted average number of shares outstanding.

The new guidelines issued by the European Securities and Markets Authority (ESMA) on alternative performance measures have entered into force in July 2016. An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). eQ presents alternative performance measures in order to describe the financial development of its operations. The calculation principles and formulae of the key ratios are presented in the company's financial statements, which are available on the company website at www.eQ.fi. The key ratios presented by eQ can be directly calculated with the calculation formulae, based on the information in the income statement, balance sheet and notes thereto.

REMAINING COMMITMENTS

On 30 June 2016, eQ's remaining commitments in private equity funds totalled EUR 11.7 million (EUR 10.3 million on 31 Dec. 2015). Other commitments at the end of the period totalled EUR 2.6 million (EUR 2.9 million on 31 Dec. 2015).