EVLI

Evli Bank Plc

ANNUAL REPORT

2015

From brokerage firm to private bank

30 YEARS OF INVESTING AND ASSET MANAGEMENT

Founded in 1985, Evli initially concentrated on equity brokerage and grew rapidly in the 1980s and 1990s. In 2001 Evli was granted a banking license and became Evli Bank Plc. In the mid-2000s, Evli carried out a successful project to change its strategy to focus especially on providing individual asset management services. In addition to organic growth, Evli grew through numerous acquisitions in all its business areas. Evli celebrated its 30th anniversary in 2015, and has grown from a brokerage firm to a private bank that specializes in increasing its clients' capital and assets.

since 1985

CONTENTS

Financial reporting in 2016
Evli Bank Plc will publish its Interim Reports for 2016 as follows:

January–March:	21.4.2016
January–June:	13.7.2016
January–September:	20.10.2016

More information at www.evli.com

Evli in brief

COMPREHENSIVE SERVICE OFFERING TO BENEFIT CUSTOMERS

Evli is a genuine private bank specializing in investment. We offer individuals, companies and institutions a full range of investment and asset management products and services, backed by robust professional skills. Evli has a professional staff of over 200 employees, and has a total of EUR 9.4 billion in client assets under management (net 12/2015). Our asset management, markets and corporate finance services form the core of our business.

WEALTH MANAGEMENT

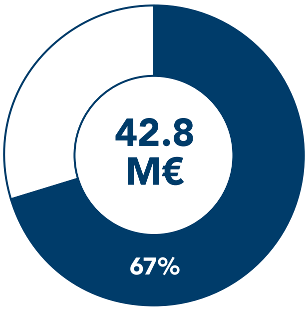
The Wealth Management unit provides personal asset management service to private individuals who have substantial investment assets, their families and related companies (Private Banking), and also to institutional clients such as insurance companies, pension funds, organizations, municipalities and companies (institutional asset management). Fund products are also an integral part of the service and product offering of the asset management business. These include Evli's own mutual funds and the mutual funds of external fund managers.

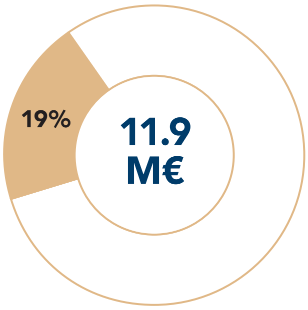
MARKETS

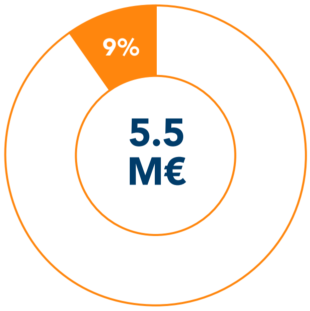
The Markets unit offers brokerage of equity and other investment products, market making services and investment research. The unit's clients are mainly Finnish and international professional clients. In addition to equities, the Markets unit brokers derivatives, ETFs, money market products, corporate bonds and structured products.

CORPORATE FINANCE

The Corporate Finance unit provides advisory services related to M&A transactions and securities offerings. The Corporate Finance unit's clientele consists mainly of listed and unlisted companies, corporate management and owners including private equity firms and private equity funds, as well as institutional investors, entrepreneurs and families. Advisory services regarding mergers and acquisitions include advisory services related to corporate acquisitions, divestments, mergers and demergers, for example. Securities offerings include IPOs, share issues and sales, equity and debt arrangements and private placement arrangements, for example.





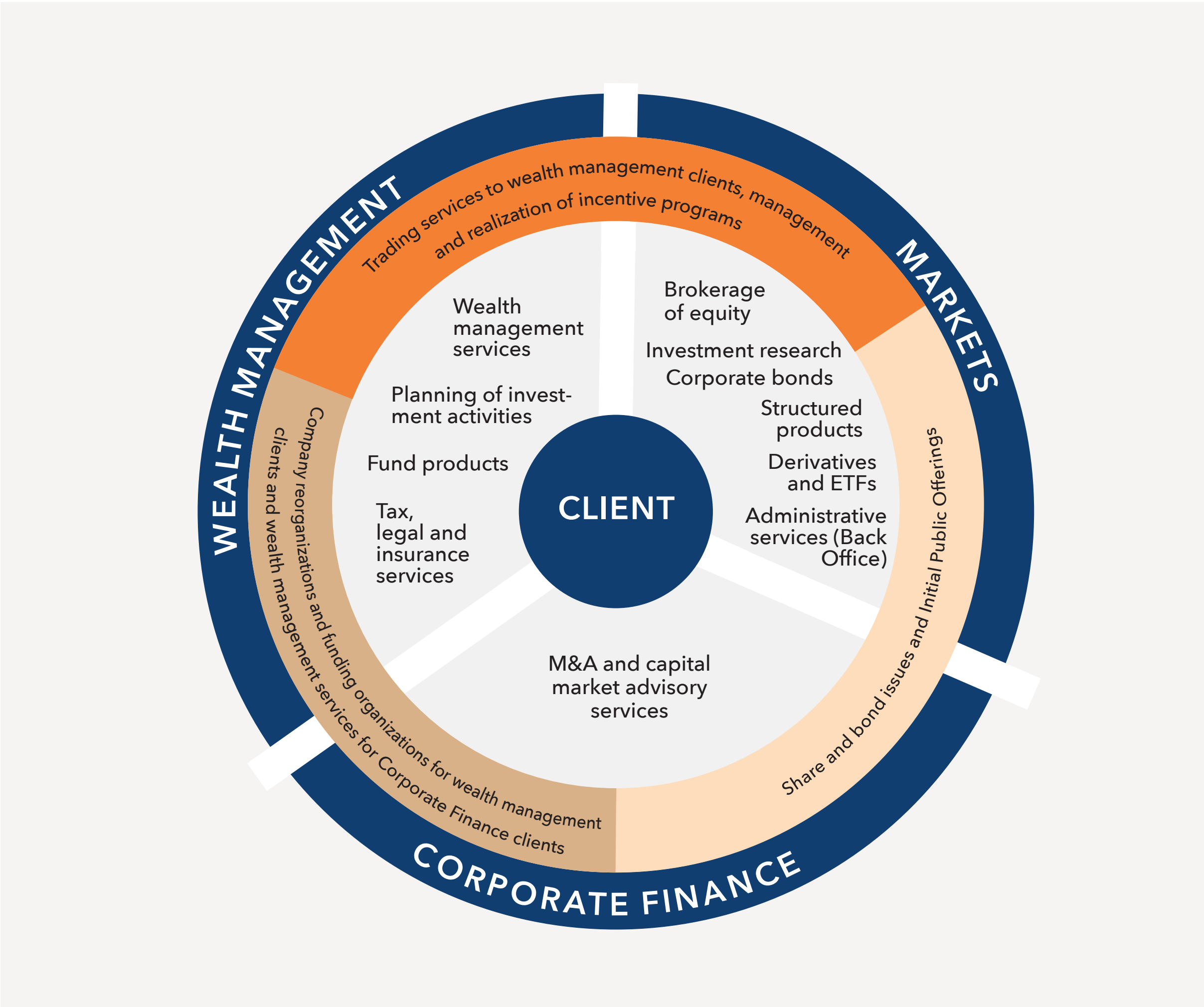


Share of Group revenue 2015*

* The rest (6%) is associated to elimination and group operations. The group operations include treasury, payment transactions, loan services, the management of group investments, financial administration, risk management, information management, group communications, legal and compliances, human resources and internal services.

HIGH QUALITY AND COMPREHENSIVE SERVICES

Asset management is a growth area for Evli, complemented by its capital market and corporate finance operations. The comprehensive services provided by these three business units allow Evli to flexibly combine high-quality services to meet each customer's individual needs.



Year 2015 in brief

ANNIVERSARY YEAR CULMINATES IN STOCK EXCHANGE LISTING

- Evli Group's profit for the financial year increased by over 60 percent and was EUR 12.3 million (2014: EUR 7.7 million).
- The Group's net revenue increased by 8 percent and was EUR 64.2 million (EUR 59.7 million). Performance was excellent in all three business areas.
- The ratio of Evli's recurring income to fixed operating expenses, representing predictability of operations and long-term profitability, improved during 2015 and was 93% (83%).
- The target for return on equity, 15%, was clearly exceeded. The return on equity in the review period was 20.2 percent (15.2%).
- Group's liquidity is good and its capital adequacy remained at a high level.
- Evli strengthened its service offering in alternative investment products and founded a new subsidiary, Evli Alternative Investments Ltd during the year. Its first investment product, EAI Residential fund, provides a new way of investing in real estates.
- Net assets under management grew considerably and totaled EUR 9.4 billion at the end of the year, including associated companies.
- Evli Bank strengthened its Wealth Management business and acquired 90 percent of the stock of the asset management provider Head Asset Management Ltd.
- The combined capital of mutual funds managed by the company was EUR 5.2 billion (EUR 4.4 billion). This makes Evli the 5th largest fund management company in Finland.
- Evli was selected as the best asset manager based on an evaluation of overall quality and was ranked in first place for its investment performance and portfolio management expertise in the TNS Sifo Prospera institutional client survey.*[1] Evli was selected as Finland's best (joint 1st place) and most widely used asset management house in a SFR 2015 institutional asset management client survey. In recognition of this, Evli received the SFR Platinum Award for best institutional asset manager.**[2] In the Euromoney survey, Evli was selected as the best provider of asset management services to super affluent clients for the second time.
- Evli concentrated the services it provides to asset management clients in the Baltic countries in Helsinki and closed down the operational activities of Evli's subsidiary, Evli Securities AS.
- Measures to concentrate Russian-based advisory services in Finland and to serve clients from Helsinki were launched.
- Evli's 30-year journey as Finland's leading bank for investors culminated in its stock exchange listing on Nasdaq Helsinki's main list in December. The listing provided Evli with a broad ownership base. Quotation of Evli Bank Plc's B share started on the main list of the Helsinki stock exchange on December 2, 2015 under the trading code EVLI.

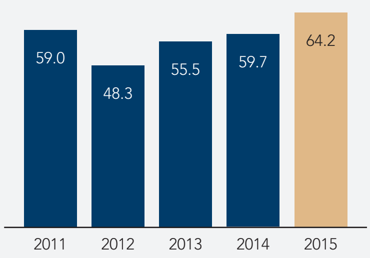
EUR
9.4
billion client assets under management

EUR
64.2
million revenue

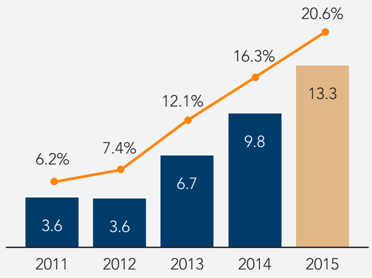
20.2 %
return on equity

* TNS Sifo Prospera 2015 - External Asset Management Institutions 2015, Finland
** SFR Investment Services Programme, Finland 2015; Competitive Positioning Report
1 Shared first place (individual/personal asset management + funds, total quality)
2 Shared first place (Finland's most used institutional asset manager)

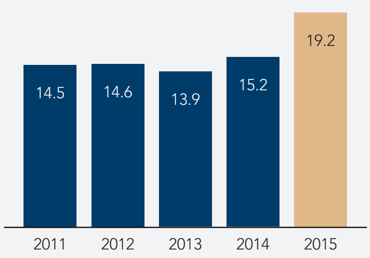
Net Revenue
(million euros)



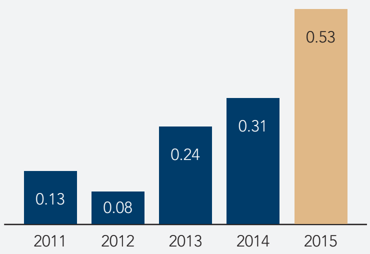
Operating profit (million euros) and profit margin (%)



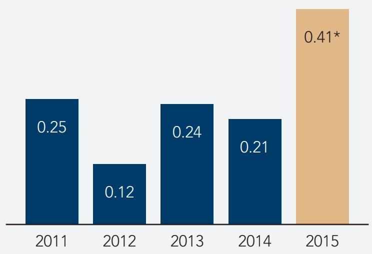
BIS-adequacy
(%)



Earnings/Share, diluted (IFRS)
(euro)

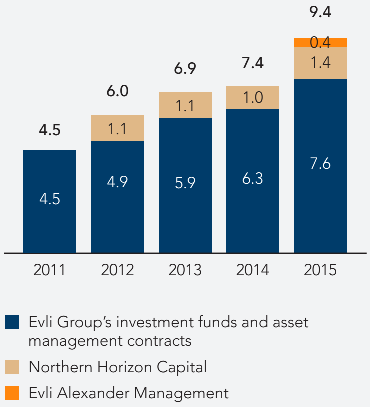


Dividend/Share
(euro)

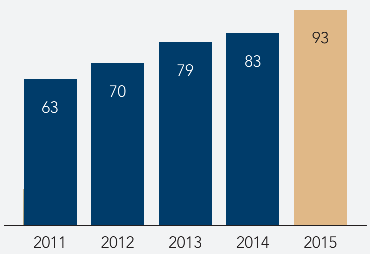


* Includes an additional return of capital 0.20 euros/share.

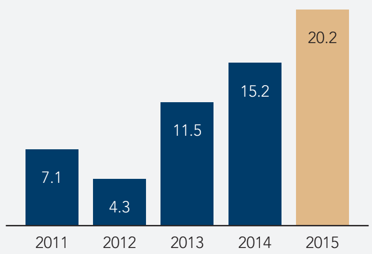
Net assets under management including associated companies
(billion euros)



Proportion of recurring revenue to operating expenses
(%)



Return on equity
(%)



See Financial Review for more detailed description of the company's key figures.

Evli's strategy and objectives

SIMPLY UNIQUE

Evli's long-term objective is to be a growing and profitable private bank with a unique clientele and broader international business operations than at present. The Company's vision is to be "Simply Unique." This describes the aim of simplifying Evli's own and its clients' investment-related processes, and offering clients unique product and service solutions.

Revenue growth is sought primarily organically, and as far as possible also through acquisitions. The operational focus is on asset management business operations, where growth is sought by increasing the amount of assets under management and the number of new client relationships. In addition to Finland and Sweden, the Company sees growth potential in asset management also in the other Nordic countries. Moreover, selected, internationally successful investment products will be used to pave the way to other European markets.

Evli's clientele is demanding, which is why the Company is constantly focusing on finding and developing new investment solutions and products. Development and innovation work makes use of the robust professional skills and special expertise of three business areas and their different points of view regarding the markets and clients' needs. Services are provided by Evli's different business units depending on the client's situation and stage in the life cycle. In addition, Evli offers banking services that support clients' investment operations.

FINANCIAL TARGETS

GROWTH

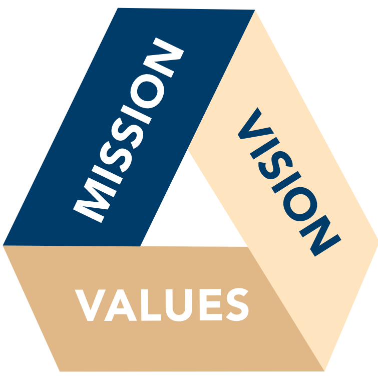
- Increase in fee income
- Growth in assets under management

PROFITABILITY

- Average return on equity exceeds 15.0%
- Recurring revenue fully covers or exceeds fixed operating expenses

MISSION, VISION AND VALUES

Increasing client's wealth according to their individual targets



Simply Unique, according to clients, by offering high quality service and unique customer experiences 24/7

Entrepreneurship | Valuable relationships | Learning | Integrity

CEO's review

STOCK EXCHANGE LISTING HERALDS NEW PHASE IN EVLI'S OPERATIONS

2015 was a very special and significant year for Evli. In August, we celebrated the company's 30th anniversary with our stakeholders, and we crowned off our anniversary year with the share issue at the beginning of December and our listing on the main list of Nasdaq Helsinki. It was also an excellent year in terms of results.

At the anniversary events, we were proud to point out that Evli has emerged strongly from several market upheavals. Through determined work, we have grown from a small brokerage firm to a bank that specializes in increasing our clients' capital and assets.

Towards greater strategic room for maneuver

We had been planning Evli's stock exchange listing for years, but the time was now ripe for it from the point of view of both the company's own operations and the market situation. The implementation of the IPO was very successful, and demand for the shares was many times greater than supply, which is something that we are very happy about and grateful for.

The aim of the issue is naturally to strengthen our capital base in order to support growth and improve the awareness and attractiveness of the company among potential clients. However, the most important aim of the public listing of our share was to make it easier to use the share in rewarding personnel and as a payment instrument in acquisitions. This increases our strategic room for maneuver in our industry, the consolidation of which we expect to continue in the coming years. Although we aim to increase our revenue mainly organically, we will also be keeping our eyes open for the kinds of acquisitions that can be used to strengthen our Wealth Management operations with new competence and clients. The Aurator Asset Management and Head Asset Management transactions implemented in 2012 and 2015 are excellent examples of these kinds of acquisitions.

Patience is key also in growth

After the anniversary and IPO, we have returned to the daily grind. We have been a public limited company that reports quarterly already for 10 years, and as a bank we are also subject to strict regulation and monitoring, so the stock exchange listing has not changed our practical work very much. Compliance with insider regulations and duty of disclosure is naturally new to us, but as a capital market party, we are familiar with the content and practices of the Securities Markets Act and securities market guidelines.

However, a very substantial change for us is that instead of around 70 owners who are in the company's immediate circle, we are accountable to a large group of new, external owners. They are expecting a good return on their investment, which means strong growth on our part, and preferably as quickly as possible. Being the subject of these expectations, we must have the presence of mind to grow judiciously: not just for growth's sake, but by carefully choosing the right ways of growing that are sustainable in all market environments. In the long term, this will be in the best interests of our shareholders.

Amid the pressures of growth expectations, it is also essential to ensure that the level of service provided to our clients does not suffer at any stage while we acquire new clients. I do not believe that this will happen, as our operations are guided by a culture of stewardship, and based on this we manage all our clients' assets as though they were our own with unceasing diligence and professionalism.

Favorable development continued in 2015

Despite the market uncertainty, which increased in the second half of the year, our operating environment developed positively on the whole in 2015, and there was strong demand for our services. Evli Group's net revenue increased by eight percent and was EUR 64.2 million (2014: EUR 59.7 million). The Group's operating profit increased by as much as 36 percent and was EUR 13.3 million (EUR 9.8 million). This development again illustrates that our strategic aim of scalability of operations has been very appropriate, as it enables strong earnings growth even with just a slight increase in revenue. The ratio of our recurring profits in relation to the Group's total costs continued to improve and had already reached 93 percent. Our target is 100 percent coverage because as a bank, our operations must be profitable and predictable. Our capital adequacy and liquidity continued to be very good throughout the year.

Revenue performance was especially positive in our largest unit, Wealth Management. Institutional assets under management in Finland achieved record-breaking growth, and we were very successful in the competitive tendering for the management of these assets. Institutional customers' trust in us is also exemplified by the excellent results we received in several client surveys. The net revenue of our largest unit, Wealth Management, increased by 15 percent to EUR 42.8 million (EUR 37.4 million), and its operating profit increased by 42 percent to EUR 11.3 million (EUR 8.0 million). Net assets under our management totaled EUR 9.4 billion (EUR 6.3 billion) at the end of the year, and the capital of our mutual funds was EUR 5.2 billion (EUR 4.4 billion). The year was very good for our asset management clients, as nearly all the client portfolios under our management outperformed their benchmark indexes. Our funds in several different fund classes also produced good returns in comparison with both benchmark indexes and competitors.

Our Markets unit also achieved good results in a still challenging operating environment. The unit's net revenue increased by 10 percent to EUR 11.9 million (EUR 10.8 million), and its operating profit was EUR 0.4 million (EUR -1.3 million).

For our Corporate Finance unit, the year was slightly weaker than the excellent previous year, but still quite good. The unit's net revenue decreased by 17 percent to EUR 5.5 million (EUR 6.6 million), and its profit decreased by 28 percent to EUR 0.9 million (EUR 1.2 million).

Complementary business functions as a competitive advantage

During the past 10 years, we have been focusing on the importance of asset management in our strategy. This focus has been reflected in our revenue, of which two thirds was from asset management in 2015. Although asset management will be a growth area also in the future, markets and corporate finance operations also play a key role in our strategy. Our complementary businesses allow us to flexibly compile service packages for our clients that conform to their individual and evolving needs. Development and innovation work can make use of the special expertise of our three business areas, and of various points of view regarding the markets and clients' needs. This is a strong competitive advantage for us, and a key factor that sets us apart from others.

Our long-term objective is to be a growing and profitable private bank with a unique clientele and broader international business operations than at present. In addition to Finland and Sweden, we are seeking growth with selected investment products also in the Nordic countries and Europe.

Our fund products are already being sold in Italy and France, and we are looking into the possibilities of entering new markets.

At the end of this historic year for Evli, I would like to thank our new shareholders for their confidence in us, all the parties that participated in arranging our IPO for their excellent work, and our Board of Directors for their valuable support in planning and implementing our issue. Our personnel produced excellent results again amid all the events. I would like to warmly thank them for this. I am convinced that our competence and strategy form a solid base for the successful continuation of Evli's journey as a stock exchange-listed company.

Maunu Lehtimäki
CEO

FINANCIAL STATEMENT 2015

BOARD OF DIRECTORS' REPORT 1.1.–31.12.2015

Market performance

Valuation levels on the capital markets have fluctuated substantially during 2015. The development of the capital markets was dominated by the central banks' interest rate decisions and the uncertainty which grew during the summer over the Chinese economy's growth outlook, which led to market fluctuation and a decrease in commodity prices.

Equity markets in Europe rose strongly in the first half of the year as the European Central Bank, ECB, started its quantitative easing monetary policy program. In the spring, the ECB announced a bond purchasing program worth over EUR 1,000 billion in total. Under the program, the ECB is spending EUR 60 billion each month purchasing euro area government bonds and other interest-bearing papers.

Share prices, which rose substantially in the early part of the year, started to decline during the spring and summer. The downswing in the European equity market in the summer was caused by the continuation of the uncertain financing situation in Greece and the cashing in of profits after the rally in the first half of the year.

In particular, uncertainty regarding China's growth outlook caused the equity and commodity markets to fluctuate during the early fall. The slowing of growth and the consequent decline in equity prices and commodity prices has weakened the economic outlooks and equity prices of those countries in particular that are dependent on the export of commodities, such as Russia and Brazil. The OPEC crude oil-producing countries did not reach an agreement on cutting production, and therefore, the price of crude oil continued to decline and went down to USD 34.74 per barrel at its lowest in December. The level was the lowest in ten years.

The markets' concerns were eased momentarily in the fall, but in December, the European Central Bank's decision not to increase its purchasing program caused great disappointment on the market. In contrast, the US Federal Reserve started raising interest rates, which had been low for a long time, as expected. The federal funds rate was raised by 0.25 percentage points. The Fed's interest rate decision had a calm reception on the markets.

Despite increased market fluctuation, 2015 was positive in many market areas. In Europe the Stoxx Index rose by 9.6 percent during the year. The Finnish equity market rose by 15.9 percent (OMX Helsinki Cap Index) during the year despite Finland's challenging outlook and tight labor-market situation. In the USA, the S&P 500 index rose by just 1.4 percent. However, the weakening of the euro raised the total return to 12.9 percent measured in euros. On the other hand, emerging markets' share prices declined substantially.

The performance of the fixed income markets was modest during the year. The return levels of the US and German governments' 10-year bonds almost reached the levels at the turn of the previous year. However, during the year, the return levels of both bonds fluctuated by about one percentage point.

Revenue performance

The Evli Group's net revenue for the financial year increased by 8 percent and was EUR 64.2 million (EUR 59.7 million). The Group's net commission income for the review period was EUR 57.2 million (EUR 53.1 million). The growth in net revenue was positively influenced by the performance of the Wealth Management and Markets units, in particular.

The Wealth Management unit's net revenue grew 15 percent compared with the corresponding period of 2014, and was EUR 42.8 million (EUR 37.4 million). The performance was supported by successful sales to new clients, a substantial increase in assets under management and the payment of performance-based fees resulting from strong performance in client profits.

The Markets unit's net revenue for the financial year increased by 10 percent year on year and was EUR 11.9 million (EUR 10.8 million). An increase in the number of client initiatives in nearly all of the unit's product areas contributed to the positive revenue.

The Corporate Finance unit's net revenue decreased from the level of the previous year and was EUR 5.5 million (EUR 6.6 million). Significant fluctuations in net revenue from one quarter to the next are typical for the Corporate Finance business.

Evli's strategic objective is to raise the proportion of revenue accounted for by recurring revenue to a level that would fully cover fixed operating expenses. In the review period, recurring revenue covered 93 percent (83%) of the Group's fixed operating expenses. The following are deemed to be recurring revenue: revenue from Wealth Management operations, fund operations, custody and management of incentive systems. Performance bonuses reserved for the financial year are not taken into account in the calculation of the ratio.

Result and cost structure

The Group's operating profit for the review period increased by 36 percent on the corresponding level of the previous year to EUR 13.3 million (EUR 9.8 million). The operating margin was 21 percent (16 percent). The profit for the period was EUR 12.3 million (EUR 7.7 million). The profit performance was supported by good revenue development in Evli's core businesses and non-recurring profit from the sale of the property management business in Evli's associated company Northern Horizon Capital.

Overall costs for the period, including depreciation, amounted to EUR 51.0 million (EUR 50.0 million). The Group's personnel expenses totaled EUR 27.5 million (EUR 26.7 million) including performance bonuses paid to the personnel on account of the good result. The Group's administrative expenses were EUR 15.8 million (EUR 14.0 million). Non-recurring expenses of EUR 0.7 million related to Evli's anniversary year are included in the administrative expenses for the period under review. The Group's depreciation, amortization and write-downs were EUR 3.9 million (EUR 5.3 million), which includes a EUR 0.7 million goodwill write-down. The goodwill write-down is related to the company's operations in the Baltic countries and Russia. During the period under review Evli concentrated the services it provides to asset management clients in the Baltic countries in Helsinki and closed down the operational activities of Evli's subsidiary, Evli Securities AS, in conjunction with this. As a consequence, the company assessed that there was no longer any separate goodwill associated with taking care of asset management client relationships in the Baltic countries and so the full value of the goodwill was written down. In addition, Evli has made a EUR 0.3 million impairment to goodwill in relation to the company's Russian operations. Other operating expenses totaled EUR 3.8 million during the period under review (EUR 4.0 million). Evli's expense/income ratio remained at the level of the previous year and was 0.79 (0.84).

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

Balance sheet and funding

At the end of the review period, the Evli Group's balance sheet total was EUR 632,2 million (EUR 490,0 million). Due to daily changes in client activity, significant fluctuations in the size of the balance sheet are possible from one quarter to the next.

The Group's equity totaled EUR 70.2 million (EUR 52.2 million) at the end of the financial year. The company's equity rose substantially during December due to the implemented share issue. Evli applies the standardized approach (capital requirement for credit risk) and the basic indicator approach including the extra capital requirement for operational risk) in its capital adequacy calculation. The Group's capital adequacy ratio of 19,2 percent clearly exceeds the regulator's requirement of 10,5 percent including the extra capital requirement. The Group's own minimum target for capital adequacy is 13 percent. With the permission of the Financial Supervisory Authority, the profit for the past financial year and estimated dividend for 2015 have been taken into account in the capital adequacy calculation.

The Group's funding from the public and credit institutions increased by 16 percent on the previous year. The company's loan portfolio decreased by 2 percent year on year to EUR 56,0 million. The ratio of loans granted by the Group to Evli Bank Plc's deposits from the public was 16 percent. The Group's liquidity is very good.

Personnel and organization

The Group had 248 (242) employees at the end of the review period. This represented a year-on-year increase of 6 persons, or approximately 2.5 percent.

90 percent of the personnel were employed in Finland and 10 percent abroad.

Business areas

Evli modified its business area reporting at the beginning of 2015 by concentrating the business functions that generate what is known as recurring revenue in the Wealth Management unit. These functions include management of incentive systems and custody operations, which were previously reported under the Markets unit. As a result, Evli's business reporting will correspond better with a reporting structure that is based on the company's strategy.

Group operations

The net revenue of Group operations decreased by 21 percent year on year and was EUR 3.3 million in total (EUR 4.1 million). Administrative expenses increased by 5 percent year on year as a result of expenses related to the company's 30th anniversary celebrations, for example. Correspondingly, depreciation was at a lower level than in the previous year. Overall costs declined slightly from the level of the comparison period.

Evli's associate Northern Horizon Capital sold its business focusing on property management during the third quarter. The transaction was completed during the fourth quarter. Evli's share of the sales profit generated in the transaction is over EUR 2 million, and this is included in the income statement's line 'share of associated companies' profit'.

Wealth Management

Wealth Management in numbers	1–12/ 2015	1–12/ 2014	Change %
Net revenue, M€	**42.8**	37.4	**15**
Operating profit/loss before Group allocations and bonuses, M€	**20.6**	17.3	**20**
Operating profit / loss, M€	**11.3**	8.0	**42**
Personnel, at the end of period	**96**	90	**7**
Market share (Evli Fund Company), %*)	**5.4**	5.2	
Net subscriptions to own funds, M€*)	**493**	168	
Average rating of Evli funds in MorningStar	**3.6**	3.5	

*) Source: fund report by Federation of Finnish Financial Services

Evli Group's Assets Under Management ("AUM") including associated companies, billion euros	31.12.2015	31.12.2014
of which in mutual funds and asset management,	10.3	8.4
in real-estate funds managed by Northern Horizon Capital,	1.4	1.0
in incentive systems managed by Evli Alexander Management	0.4	na
Evli Group's gross AUM	12.1	-
Evli Group's net AUM**)	9.4	-

**) Net AUM excludes mutual funds within asset management agreements.

The Wealth Management unit performed very well during the review period. Net revenue rose by 15 percent compared to the corresponding period in 2014 and came to EUR 42.8 million (37.4 million). The performance was supported by newly acquired client relationships and the general market performance, which caused asset values to rise. Performance-based fees paid during the financial year also contributed to the revenue growth. The Wealth Management unit's net assets under management totaled EUR 9.4 billion at the end of the year, including associated companies.

Net subscriptions to funds registered in Finland totaled EUR 8.8 billion in 2015 (EUR 8.6 billion). Net subscriptions to Evli's funds totaled EUR 493 million (EUR 168 million). Evli Fund Management Company's market share increased by 0.2 percentage points on the previous year and was 5.4 percent at the end of the year. The combined capital of the 26 mutual funds managed by the company was EUR 5,213 million (EUR 4,442 million) and the number of shareholders according to the fund report compiled by Investment Research was 22,444 (17,480).

The best-performing equity fund was Evli Swedish Small Cap (full-year return 30.9%), the best-performing balanced fund was Evli Wealth Manager (11.0%), and the best-performing fixed income fund was Evli European High Yield (3.26%). Evli Nordic outperformed its benchmark index by the widest margin, +16 percent.

Of Evli's funds, the biggest net subscriptions were gathered by Evli Euro Liquidity (EUR 234 million) and Evli Europe (EUR 193 million). Evli Euro Liquidity (EUR 953 million) and Evli European High Yield (EUR 802 million) had the most assets at the end of the year. In a fund comparison carried out in December by the independent Morningstar, the average star rating of Evli's funds was 3.6 (3.5). Of Evli's 26 funds, 20 were included in the comparison, and 12 of them received the highest or second highest Morningstar rating.

During the year, Evli gained significant recognition in respected and independent studies. Evli was ranked best asset manager based on an evaluation of overall quality in the recent TNS Sifo Prospera "External Asset Management Institutions 2015, Finland" institutional client survey. Evli was also ranked in first place for its investment performance and portfolio management expertise.

Evli was selected as Finland's best asset management house in a recent SFR 2015 institutional asset management client survey. In recognition of this, Evli received the SFR Platinum Award for best institutional asset manager. In addition, Evli was voted the best provider of asset management services to super affluent clients for the second time in the Euromoney survey.

During the year Evli Bank founded a new subsidiary, Evli Alternative Investments Ltd, which operates as an alternative investment fund manager as referred to in the Act on Alternative Investment Fund Managers. The real estate fund managed by the company started operations during the fall.

Evli Bank strengthened its Wealth Management business and acquired 90 percent of the stock of the asset management provider Head Asset Management Ltd.

Markets

Markets in numbers	1–12/ 2015	1–12/ 2014	Change %
Net revenue, M€	11.9	10.8	10
operating profit/loss before Group allocations and bonuses, M€	3.3	2.1	58
Operating profit / loss, M€	0.4	-1.3	-
Personnel, at the end of period	46	45	2
Market share (Nasdaq Helsinki), EUR volume, %	1.07	1.30	
Market share (Nasdaq Helsinki), number of trades, %	0.82	1.00	

Net revenue for the financial year increased by 10 percent year on year and was EUR 11.9 million (EUR 10.8 million). Nearly all the product areas of the unit grew on the previous year. The commission performance of derivatives and ETF brokerage, which was better than last year, was especially positive.

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

Corporate Finance

Corporate Finance in numbers	1–12/ 2015	1–12/ 2014	Change %
Net revenue, M€	**5.5**	6.6	**-17**
Operating profit/loss before Group allocations and bonuses, M€	**1.4**	2.3	**-39**
Operating profit / loss, M€	**0.9**	1.2	**-28**
Personnel, at the end of period	**21**	28	**-25**

The M&A market was active throughout the financial year and client initiative remained on a good level, especially in M&A activity. Evli was an advisor in a total of 16 executed transactions (21 transactions in 2014). These included among others

- Advisory to Lantmännen AB regarding acquisition of Finnish Vaasan –company from Lion Capital
- The sale of Mediplast AB in Sweden to listed Addtech AB
- Advisory to Mediplast AB regarding acquisition of Finnish Fenno Medical
- Dedicare, which is listed in Sweden, in the sale of the company's Norwegian personal assistant operations
- The listed company SSH Communications Security Corporation regarding the issuing of a convertible hybrid bond
- Assisting Nordic Mines regarding restructuring of company's capital structure
- advisor in a share transaction between Grimaldi and Ilmarinen, in which Grimaldi acquired 10.58 percent of Finnlines stock from Ilmarinen
- Advisor to Northern Horizon Capital regarding its sale of BPT Real Estate –business unit

The Corporate Finance unit's net income decreased by 17 percent from the previous year and was EUR 5.5 million (EUR 6.6 million). Significant fluctuations in revenue from one quarter to the next are typical of the Corporate Finance business. The unit's mandate base is strong.

Changes in Group structure

Evli Bank Plc founded a new 100-percent-owned subsidiary, Evli Alternative Investments Ltd, which was entered in the Trade Register on March 9, 2015. Evli Alternative Investments Ltd is a manager of alternative funds that is registered by the Financial Supervisory Authority.

In September 2015, Evli concluded an agreement on the acquisition of a majority holding in the investment firm Head Asset Management Ltd. The transaction was executed on October 19, 2015. The acquired business is included in the Group's fourth-quarter result.

The Lithuanian branch of Evli Bank's subsidiary Evli Securities AS was shut down on December 4, 2015.

Evli's shares and share capital

Pursuant to the authorization to acquire Evli shares issued by the AGM on March 6, 2015, the company acquired a total of 2,250 shares during the second quarter of 2015, and a total of 4,000 shares during the third quarter of 2015. The shares were acquired in accordance with the shareholder agreement through changes in ownership.

Evli Bank Plc's total number of shares changed during the second quarter by a total of 157,500 shares. The change in the number of shares resulted from the entry in the Trade Register of new shares subscribed for and paid in full in partial payment share issues arranged in the fall of 2011, and the entry in the Trade Register of new shares subscribed for on the basis of stock options according to the 2014 option program. The new shares were entered in the Trade Register on May 5, 2015.

Evli Bank Plc's total number of shares changed during the third quarter by a total of 11,375 shares after the company's Board of Directors decided to annul the remaining Evli shares held by the company on September 8, 2015. The new number of shares was entered in the Trade Register on September 21, 2015.

The share amounts mentioned above describe the situation before the share issue without payment carried out on October 1, 2015.

Evli Bank Plc's Extraordinary General Meeting held on October 1, 2015 decided to amend the company's Articles of Association. As a result, Evli has two share series: series A and series B, whose rights are determined in the manner specified in the amended Articles of Association. The main difference between the share series concerns the voting rights. The A share confers 20 votes in a General Meeting, while a B share confers one vote. The General Meeting also decided to increase the number of shares by giving shareholders new shares free of charge in proportion to their holdings, so that three (3) new series A shares and one (1) series B share were given for each series A share. Now that the decisions have been implemented, there are a total of 16,971,136 series A shares and a total of 4,242,784 series B shares, all in all, totaling 21,213,920 shares. The Extraordinary General Meeting also decided to change the terms and conditions of the 2014 stock option program so that one stock option gives entitlement to subscribe for four (4) series A shares and one (1) series B share.

On November 16, 2015 Evli Bank Plc submitted its listing application to NASDAQ Helsinki Ltd to admit the Company's series B shares for trading on the official list of the Helsinki Stock Exchange. Pursuant to the issue authorization granted to the Board of Directors by the Extraordinary General Meeting, a total of 2,100,000 new series B shares were offered for subscription in the IPO. Evli Bank Plc's Board of Directors decided on the issuance of the shares offered in the IPO and on the approval of the share subscriptions and payments of investors who made a subscription commitment in accordance with the terms and conditions of the IPO and the allocation proposal on November 25, 2015. Trading with series B shares (the ticker symbol is "EVLI" and the ISIN FI4000170915) commenced on December 2, 2015. The total number of series B shares that are subject to trading is 6,342,784.

The company's total number of shares at the end of the financial year was 23,313,920 shares, of which 16,971,136 are series A shares and 6,342,784 are series B shares. At the end of the review period, no Evli shares were held by the company.

Shareholders' equity was EUR 30,194,097.31 at the end of the review period. There were no changes in share capital during the review period.

The invested unrestricted equity fund grew by EUR 13.7 million in the Group and EUR 14.2 million in the parent company as a result of the IPO.

Dividend

In accordance with the proposal of the Board, the Annual General Meeting of Evli Bank Plc held on March 6, 2015 resolved to distribute EUR 0.21 per share in dividends, a total of EUR 4,337,026.04 for the 2014 financial year. Dividends were paid on March 17, 2015. The dividend per share has been calculated using share amounts adjusted in accordance with a share issue without payment decided upon in the Extraordinary General Meeting of October 1, 2015.

Additional return of capital

In accordance with a proposal of the Board, the Extraordinary General Meeting of Evli Bank Plc held on June 30, 2015 resolved to pay an additional return of capital of EUR 0.20 per share, and EUR 4,246,784 in total. The return of capital was paid on July 9, 2015. The return of capital per share has been calculated using share amounts adjusted in accordance with a share issue without payment decided upon in the Extraordinary General Meeting of October 1, 2015.

Board of Directors and auditors

Evli Bank Plc's Annual General Meeting, held on March 6, 2015, confirmed six as the number of members of the Board of Directors. Henrik Andersin, Robert Ingman, Harri-Pekka Kaukonen, Mikael Lilius, Teuvo Salminen and Thomas Thesleff were re-elected to Evli Bank Plc's Board of Directors. Henrik Andersin was chosen as Chairman of the Board.

Evli Bank Plc's Extraordinary General Meeting decided on October 1, 2015 to raise the number of Board members to seven and elected Johanna Lamminen as the seventh Board member.

On March 6, 2015, the AGM elected KPMG Oy Ab, Authorized Public Accountants, as the company's auditor and Marcus Tötterman, APA, as the principally responsible auditor.

Board authorizations

Evli Bank Plc's Annual General Meeting resolved on March 6, 2015, to authorize the Board of Directors to decide on issuing shares and stock options and/or issuing special rights entitling the holder to shares pursuant to Chapter 10, Section 1, of the Limited Liability Companies Act in one or more lots in such a way that the total number of shares granted on the basis of the authorization would be a maximum of 307,240 shares. Evli Bank Plc's Extraordinary General Meeting resolved on October 1, 2015 to authorize the Board of Directors to decide on the issuance of new shares. The total number of new B shares granted on the basis of the authorization would be no more than 3,000,000 shares. The authorization repealed the authorizations given previously and is valid for five years after the decision of the General Meeting. The Board of Directors used the authorization by issuing a total of 2,100,000 new series B shares in the IPO.

The AGM resolved on March 6, 2015, to authorize the Board of Directors to decide on buying back Evli shares. The total number of shares granted on the basis of the authorization would be no more than 409,665 shares. Evli Bank Plc's Extraordinary General Meeting decided on October 1, 2015 to authorize the Board of Directors to decide on acquiring no more than 2,127,079 Evli shares in such a way that no more than 1,701,664 series A shares may be acquired and no more than 425,415 shares may be acquired. The authorization given by the Extraordinary General Meeting on October 1, 2015 repealed the previous authorization and is valid until the next Annual General Meeting, provided this is not more than 18 months from the General Meeting's decision.

Trading on NASDAQ Helsinki Ltd

At the end of the financial year, Evli had 6,342,784 series B shares subject to public trading on Nasdaq Helsinki. The shares were made subject to trading on December 2, 2015. Share trading during the financial year was EUR 2,290,877. In terms of number of shares, 281,284 shares were traded on the stock exchange during the financial year. The share price on December 31, 2015 was EUR 8.19. The highest share price during the financial year was EUR 9.21 and the lowest was EUR 7.95. Evli's market capitalization was EUR 190.9 million on December 31, 2015. The market value is calculated on the basis of both unlisted series A shares and listed series B shares excluding acquired Evli shares. Series A shares are valued at the closing value of the series B share's reporting period.

Risk Management and business risks

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

Evli's most significant near-term risk is the impact of market performance on the company's business functions. Capital market performance has a direct impact on the asset management business, whose revenue is based on the performance of assets under management and is therefore subject to market fluctuations. The general performance of the markets also has an impact on brokerage operations. In the Corporate Finance unit, any changes in the market confidence of investors and corporate management may result in the lengthening or termination of projects.

The delta-adjusted price risk of Evli's own investment portfolio and proprietary trading was approximately EUR 7.4 million at the end of December, and a 20 percent negative market movement would have resulted in a scenario loss of approximately EUR 1.4 million. At the end of December, the Treasury unit's interest rate risk was approximately EUR +/- 0.4 million, assuming that market rates rise/fall by one percentage point. Evli's liquidity has remained solid. The estimated effect on profit of realized operational risks during the review period was EUR 1.0 million. A more detailed explanation of the risks of Evli's business functions and their management can be found in the company's financial statements.

In conjunction with the share issue, Evli referred to a litigation that was directed at its associate which was resolved during the last quarter of the year.

Outlook for 2016

The performance of the asset management and capital markets has been strong in recent years, and interest in Evli's services and products is expected to remain stable. In the Corporate Finance business, substantial fluctuations in annual profits are possible. The unit's mandate base was good at the turn of the year. The ratio of Evli's recurring income to expenses improved during 2015, and the income almost covered fixed operating expenses in full. We believe that the result for 2016 will be clearly positive.

Helsinki, February 15, 2016

Board of Directors

KEY FIGURES

	1.1.–31.12.2015	1.1.–31.12.2014	1.1.–31.12.2013	1.1.–31.12.2012	1.1.–31.12.2011
Net Revenue, 1 000€	**64 249**	59 734	55 528	48 344	59 033
Operating profit, 1 000€	**13 261**	9 764	6 710	3 553	3 642
% of net revenue	**20.6**	16.3	12.1	7.4	6.2
Profit for the financial year, 1 000€	**12 349**	7 674	5 647	2 144	3 794
% of net revenue	**19.2**	12.8	10.2	4.4	6.4
Return on equity (ROE), %	**20.2**	15.2	11.5	4.3	7.1
Return on assets (ROA), %	**2.2**	1.4	0.9	0.4	0.6
Equity-to-assets ratio, %	**11.1**	10.7	8.5	8.3	8.7
Expense ratio (operating costs to net revenue)	**0.8**	0.8	0.9	0.9	0.9
Capital adequacy ratio, %	**19.2**	15.2	13.9	14.6	14.5
Dividend/Share, €	**0.41***	0.21	0.24	0.12	0.25
Personnel, at the end of period	**248**	242	245	243	276

* Includes an additional return of capital 0.20 euros/share.

Calculation of key ratios

Income — Net interest income + fee and commission income + net income from securities transactions and foreign exchange dealing + other operating income

Net revenue — From Income Statement. Includes gross returns, deducted by interest and commission expenses.

Operating profit — From Income Statement

Profit for the financial year — From Income Statement

Return on equity (ROE), % = $\frac{\text{Profit/Loss for the financial year}}{\text{Equity capital and minority interest (average of the figures for the beginning and at the end of the year)}} \times 100$

Return on assets (ROA), % = $\frac{\text{Profit/Loss for the financial year}}{\text{Average total assets (average of the figures for the beginning and at the end of the year)}} \times 100$

Equity / Total assets ratio, % = $\frac{\text{Equity capital + appropriations}}{\text{Total assets}} \times 100$

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

Earnings / share = $\frac{\text{Total recognised income and expenses for the period without the share of the non-controlling interest}}{\text{Shares outstanding}}$

CONSOLIDATED INCOME STATEMENT, IFRS

1 000 EUROS	Note	1.1.–31.12.2015	1.1.–31.12.2014
Interest income	1.	2 598	2 831
Interest expenses	2.	-1 192	-1 794
NET INTEREST INCOME		1 406	1 037
Fee and commission income	4.	58 986	54 908
Fee and commission expenses	5.	-1 770	-1 795
Net income from securities transactions and foreign exchange dealing	6.		
Net income from securities transactions		4 105	2 435
Net income from foreign exchange dealing		952	1 777
Income from equity investments, total		334	1 007
Other operating income	7.	236	366
NET REVENUE		64 249	59 734
Administrative expenses			
Personnel expenses	8.		
Wages and salaries		-21 550	-20 842
Other social security costs		-1 612	-1 613
Pension expenses		-4 318	-4 228
Other administrative expenses	9.	-15 785	-14 007
Impairment losses from goodwill	10.	-705	-1 606
Depreciation, amortization and impairment losses	10.	-3 239	-3 683
Other operating expenses	11.	-3 779	-3 980
Impairment losses on other financial assets	12.	0	-12
OPERATING PROFIT/LOSS		13 261	9 764
Share of profit or loss of associates		2 104	266
PROFIT BEFORE INCOME TAX		15 366	10 030
Income taxes	13.	-3 017	-2 355
PROFIT/LOSS FOR THE FINANCIAL YEAR		12 349	7 674
Attributable to			
Minority interest		867	864
Shareholders of parent company		11 482	6 810
PROFIT/LOSS FOR THE FINANCIAL YEAR		12 349	7 674
INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences - foreign operations		135	-130
PROFIT / LOSS FOR FINANCIAL YEAR		135	-130
Other recognized income and expenses after taxes		135	-130
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD		12 484	7 545
Attributable to			
Non-controlling interest		867	864
Equity holders of parent company		11 617	6 680

CONSOLIDATED BALANCE SHEET, IFRS

1 000 EUROS	Note	31.12.2015	31.12.2014
ASSETS			
Cash and cash equivalents		**127 986**	103 998
Loans and other receivables			
Claims on credit institutions	14.	**119 396**	108 877
Claims on the public and public sector entities	15.	**56 042**	56 944
Loans and other receivables, total		**175 438**	165 822
Financial assets at fair value through profit or loss			
Debt securities eligible for refinancing with central banks	16.	**38 461**	74 192
Debt securities	16.	**132 965**	32 769
Shares and participations	17.	**37 958**	35 730
Derivative contracts	19.	**21 603**	32 035
Financial assets at fair value through profit or loss, total		**230 988**	174 726
Saleable financial assets			
Shares and participations	17.	**0**	0
Saleable financial assets, total		**0**	0
Other than financial assets			
Shares and participations in associates	18.	**5 018**	3 514
Intangible assets	20.	**9 971**	7 598
Property, plant and equipment	21.	**1 934**	2 337
Other assets	22.	**77 671**	28 581
Accrued income and prepayments	23.	**2 954**	2 860
Deferred tax assets	24.	**287**	613
Other than financial assets, total		**97 835**	45 502
TOTAL ASSETS		**632 247**	490 047

CONSOLIDATED BALANCE SHEET, IFRS

1 000 EUROS	Note	31.12.2015	31.12.2014
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities at amortized cost			
Liabilities to credit institutions and central banks	25.		
Credit institutions		**5 530**	8 000
Liabilities to the public and public sector entities	26.		
Deposits		**352 439**	297 037
Other liabilities		**0**	94
Debt securities issued to the public	27.		
Bonds		**35 722**	33 095
Financial liabilities at amortized cost, total		**393 691**	338 225
Financial liabilities at fair value through profit or loss			
Derivative contracts and other liabilities held for trading	28.	**36 468**	40 739
Other than financial liabilities			
Other liabilities	29.	**116 058**	43 137
Accrued expenses and deferred income	30.	**15 127**	15 341
Deferred tax liabilities	31.	**668**	405
Other than financial liabilities, total		**131 854**	58 882
TOTAL LIABILITIES		**562 013**	437 847
EQUITY	33., 34.		
Share capital		**30 194**	30 194
Share premium fund		**1 839**	1 839
Fund of invested non-restricted equity		**24 218**	13 178
Other reserves		**180**	180
Translation difference		**-279**	-405
Retained earnings		**12 855**	5 996
Minority interest		**1 227**	1 219
TOTAL EQUITY		**70 234**	52 201
TOTAL LIABILITIES AND EQUITY		**632 247**	490 047

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, IFRS

1 000 EUROS

Consolidated statement of changes in equity	Share capital	Share premium fund	Reserve for invested unrestricted equity	Other reserves	Translation difference	Retained earnings	Total	Minority interests	Total equity
2014									
Equity capital 1.1.	30 194	1 839	12 738	107	90	2 753	47 722	1 049	48 771
Translation difference					-85		-85	-254	-340
Profit/loss for the period						6 810	6 810	864	7 674
Total recognized income	0	0	0	0	-85	6 810	6 725	610	7 335
Dividends						-4 271	-4 271	-440	-4 711
Transfer between items					-411	411	0		0
Share issue			615				615		615
Share options exercised				73			73		73
Acquisition of own shares			-176				-176		-176
Other changes						293	293		293
Equity capital 31.12.	30 194	1 839	13 178	180	-405	5 996	50 982	1 219	52 201

Consolidated statement of changes in equity	Share capital	Share premium fund	Reserve for invested unrestricted equity	Other reserves	Translation difference	Retained earnings	Total	Minority interests	Total equity
2015									
Equity capital 1.1.	**30 194**	**1 839**	**13 178**	**180**	**-405**	**5 996**	**50 982**	**1 219**	**52 201**
Translation difference					**127**		**127**	**41**	**167**
Profit/loss for the period						**11 482**	**11 482**	**867**	**12 349**
Total recognized income	**0**	**0**	**0**	**0**	**127**	**11 482**	**11 609**	**907**	**12 516**
Dividends/Additional return of capital			**-4 247**			**-4 337**	**-8 584**	**-899**	**-9 483**
Transfer between items			**252**			**-252**	**0**		**0**
Share issue			**1 370**				**1 370**		**1 370**
IPO			**14 175**				**14 175**		**14 175**
Expenses related to IPO			**-436**				**-436**		**-436**
Acquisition of own shares			**-75**				**-75**		**-75**
Other changes						**-34**	**-34**		**-34**
Equity capital 31.12.	**30 194**	**1 839**	**24 218**	**180**	**-279**	**12 855**	**69 008**	**1 227**	**70 234**

The translation reserve includes foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

CONSOLIDATED STATEMENT OF CASH FLOW, IFRS

1 000 EUROS	1.1.–31.12.2015	1.1.–31.12.2014
Cash flow from operating activities		
Interest and commission received and proceeds from securities transactions incl. dividends	**76 287**	57 812
Open trades, net	**-2 755**	7 908
Interest and commissions paid	**-3 176**	-3 593
Cash payments to employees and suppliers	**-34 091**	-42 885
Increase (-) or decrease in operating assets:		
Net change in trading book assets and liabilities	**-91 990**	28 708
Deposits held for regulatory or monetary control purposes	**6 953**	-24 243
Issue of loan capital	**2 627**	-37 626
Funds advanced to customers	**91 028**	57 779
Net cash from operating activities before income taxes	**44 883**	43 860
Income taxes	**-2 591**	-1 777
Net cash used in operating activities	**42 292**	42 083
Cash flow from investing activities		
Proceeds from sales of subsidiaries and associates	**-6 343**	0
Dividend received	**-11**	400
Interest received	**9**	4
Proceeds from sales of non-dealing securities	**0**	-121
Acquisition of property, plant and equipment and intangible assets	**-1 726**	-773
Net cash used in investing activities	**-8 071**	-491
Cash flow from financing activities		
IPO	**13 739**	0
Proceeds from issue of share capital	**1 370**	615
Purchase of own shares	**-75**	-176
Net decrease in other borrowings	**19**	242
Payment of finance lease liabilities	**-220**	-250
Dividends paid	**-8 581**	-4 631
Net cash from financing activities	**6 252**	-4 200
Net increase in cash and cash equivalents	**40 473**	37 392
Cash and cash equivalents at beginning of period	**163 581**	126 325
Effects of exchange rate changes on cash and cash equivalents	**-65**	136
Cash and cash equivalents *) at end of period	**203 989**	163 581

* Cash and cash equivalents include cash and cash equivalents and claims on credit institutions repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basic information on the company

Evli Bank Plc is a private bank specializing in investment whose clients are institutions, companies and present or future high net worth individuals. Evli Bank Plc and its subsidiaries form the Evli Group ("Evli"). Clients are served by international groups operating in three business areas that provide asset management services and mutual funds, broker shares, derivatives, exchange-traded funds, bonds and structured investment products, and provide advisory services. The Evli Group operates in four countries and its head office is in Finland. The company operates in Sweden through its branch office and its subsidiary Evli Corporate Finance Ab, in Estonia through its subsidiary Evli Securities, in Russia through its subsidiary Evli Russia Oy, and in the United Arab Emirates through its subsidiary Terra Nova Ltd.

The Group's parent company is Evli Bank Plc. The parent company is domiciled in Helsinki and its registered address is Aleksanterinkatu 19 A, 00100 Helsinki.

A copy of the consolidated financial statements can be obtained from www.evli.com or from the parent company's registered office at Aleksanterinkatu 19 A, 00100 Helsinki.

Accounting policies

Basis for preparation of the financial statements

The consolidated financial statements have been prepared in compliance with IFRSs (International Financial Reporting Standards), approved for application in the EU, and IASs (International Accounting Standards) valid at the end of 2015, together with their respective SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations. In addition, Finland's Act on Credit Institutions and official regulations have also been applied in preparing the consolidated financial statements. The figures in the financial statements are presented in thousands of euros, unless indicated otherwise. The consolidated financial statements have been prepared based on historical cost, with the exception of financial assets and liabilities recognized at fair value through profit or loss, and derivative financial instruments.

During the year, the figures are presented in the interim reports so that the income statement items are compared with the corresponding period of the previous year while the comparison of balance sheet items relates to the previous year-end, unless specified otherwise.

As of 1 January 2014, capital adequacy has been calculated according to the Basel III standards. The term Basel III is used in the financial statements to mean the EU's Capital Requirements Regulation 575/2013 and the related additional regulations issued by the European supervisory authority and international supervisory authorities.

Consolidation principles

The consolidated financial statements comprise the financial statements of parent company Evli Bank Plc and all the subsidiaries in which the parent company has a controlling interest. The Group is considered to have a controlling interest if its shareholding directly or indirectly carries more than 50 percent of the company's voting rights, or if it is otherwise entitled to exercise an influence on the company's financial position and operating policies so as to obtain benefits from its activities.

The consolidated financial statements encompass those subsidiaries in which the parent company directly or indirectly owns 50 percent of the shares with voting rights or in which it otherwise has a controlling interest.

The Group's internal shareholdings are eliminated using the acquisition method of accounting. The assets, liabilities, contingent assets and contingent liabilities of a company acquired according to the acquisition method are assessed at fair value at the time of acquisition. Intangible assets, such as trademarks, patents or client relationships, that are not included in the acquired company's balance sheet are identified and assessed in connection with the acquisition. Following assessment at fair value, either goodwill or negative goodwill can arise. Goodwill is tested at least in connection with the financial statements. Subsidiaries are consolidated from acquisition date to date of sale.

The consolidated financial statements encompass those associates in which the parent company directly or indirectly owns 20–50 percent of the shares with voting rights or in which it otherwise exercises significant influence, but not control. Associates are consolidated using the equity method. In the equity method the Group's share of the associate's equity and results increases or decreases the value of the shares recognized on the balance sheet date. An investment in an associate includes the goodwill generated by the acquisition. In accordance with the equity method, these stakes are measured at acquisition cost, including the changes in the Group's stake in the company's net assets following the acquisition.

All intra-group transactions, receivables, liabilities, unrealized gains and internal distribution of profits are eliminated in preparing the consolidated financial statements. Unrealized losses are not eliminated if the loss is due to impairment of an asset. The profit for the period attributable to the parent company's equity holders and non-controlling interests is presented in the income statement, and the non-controlling interest's share of equity is presented separately in the balance sheet within equity.

Mutual funds managed on behalf of clients are not consolidated, since the Group has no control over them.

Northern Horizon Capital Ltd was consolidated using the equity method. Evli Bank Plc holds a 50 percent stake in Northern Horizon Capital Ltd shares, which confer a 45 percent voting right in the company. This company specializes in the management of real estate funds and Evli acquired a stake in conjunction with a corporate transaction carried out in 2011.

The figures of Evli's associates Baltic SME Management B.V. and BIF Management Ltd are not significant for the Group.

Evli Alexander Management Ltd is a company specializing in preparing executive reward systems. Evli Bank Plc has a 45.01 percent stake in the company. Pursuant to the shareholder agreement, Evli Bank Plc has control in the company, and therefore the company is consolidated as a subsidiary.

The subsidiaries and associates included in the consolidated financial statements are listed on section 'Companies included in the Consolidated Accounts'.

Translation of items denominated in foreign currency

The figures showing the profit/loss and financial position of the Group's units are measured in the currency used in each unit's main functional environment ("functional currency"). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the Group's parent company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. Monetary balance sheet items are translated into the functional currency at the rate prevailing on the balance sheet date. Exchange rate differences arising in connection with the valuation are included in net income from foreign exchange.

The income statements of foreign Group entities are translated into euros at the weighted average rates for the period, and the balance sheets at the rates prevailing on the balance sheet date. In the consolidated income statement and balance sheet, the translation differences resulting from the use of different rates for the translation of Group results for the period is recognized in income and expenses recognized directly in equity and presented under equity. The translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and from post-acquisition cumulative changes in equity items are recognized in income and expenses recognized directly in equity and presented under equity. When a subsidiary is disposed of wholly or partly, the cumulative translation differences are recognized in profit or loss as part of gains or losses from disposal.

Property, plant and equipment

Tangible fixed assets are measured at historical cost less accumulated depreciation and impairment losses. Subsequent costs are included in the carrying amount of tangible fixed assets only if it is probable that the future economic benefits attributable to the assets will flow to the Group and that the cost of acquiring the assets can be reliably measured. Other repair and maintenance costs are recognized in profit or loss in the period in which they were incurred.

Assets are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives are as follows:

Machinery and equipment:	5 years
IT equipment:	3 years
Assets under finance leases:	3–5 years
Renovations of leased premises:	term of lease

The residual values and useful lives of assets are reviewed at each reporting date and, if necessary, are adjusted to reflect changes occurring in expectations of useful life.

The depreciation of an item of property, plant and equipment will cease when the tangible fixed asset is classified as held for sale under IFRS 5 Non-current assets held for sale and discontinued operations.

Gains and losses from the sales or disposals of tangible fixed assets are included in other operating income and expenses.

Intangible assets

Intangible assets are recognized in the balance sheet only if their acquisition cost can be reliably measured and if it is probable that the expected future economic benefits attributable to the assets will flow to the company. Intangible assets with definite useful lives are recognized in the balance sheet at historical cost and are amortized in the profit and loss account on a straight-line basis over their known or estimated useful lives. Intangible assets include software licenses and other intangible rights whose useful life is 3–5 years.

With a contract signed on October 7, 2009, Evli Acquired the entire share capital of Carnegie Asset Management Finland and Carnegie Fund Management Finland. No goodwill was generated from this transaction; the other intangible rights included in the sale price, such as client agreements, will be completely amortized within 2–7 years.

Evli acquired a majority holding in Aurator Asset Management Ltd on January 4, 2013. The intangible rights arising from the transaction will be amortized over five years. No goodwill was generated from this transaction.

Evli acquired a majority holding in Head Asset Management Ltd with an agreement signed on September 30, 2015. The transaction was executed on October 19, 2015. Goodwill was generated from this transaction. In addition to this, the sale price included intangible rights, such as client agreements, which will be completely amortized within 5 years.

Goodwill

Goodwill represents the excess of the cost of an acquired entity over the Group's interest in the fair value of the identifiable net assets and liabilities acquired at the acquisition date. Goodwill is measured at historical cost less cumulative impairment losses. Goodwill is not amortized. Goodwill arising in connection with acquisitions is tested annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For this purpose, goodwill is allocated to cash-generating units, or, in the case of a subsidiary, goodwill is included in the subsidiary's acquisition cost and the subsidiary forms a cash-generating unit. If the carrying amount of goodwill for a cash-generating unit exceeds its recoverable amount, an impairment loss equal to the difference will be recognized.

For the testing of impairment, the recoverable amounts of an asset are determined by calculating the asset's value in use. The calculations are based on five-year cash flow plans approved by the management. In the cash flow model, items affecting each cash-generating unit's operational cash flow – mainly income and expenses – are examined. Cash flows extending after the five-year forecast period have been calculated using the "final value method". In the final value method growth is determined using the management's conservative assessment of the long-term growth of cash flow. In the testing carried out in 2015, annual growth of either 1 or 2 percent, depending on the risk of the unit tested, has been used as the growth factor of the final value. The cash flows used to measure value in use are discounted to the present value using the discount rate that reflects assessments of the time value of money and the risks specific to the asset. The discount rate used in the testing of business functions not including those in Russia was 11.5 percent and 13.5 percent for business functions in Russia.

In conjunction with goodwill testing, the sensitivity of the testing to changes in the variable affecting each result is also assessed. Sensitivity analyses are performed on goodwill impairment testing calculations using worst-case scenario forecasts. These scenarios were used to examine the change in value in use by changing the basic assumptions in the definition of value. Future income and expense cash flows, the discount rate and final value growth rate were changed in the sensitivity analyses. On the basis of the sensitivity analyses carried out, the change in the recoverable amount for the units tested does not lead to a situation in which the carrying amount is greater than the value in use.

Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred. The attributable transaction costs of a certain borrowing are included in the original amortized cost of the borrowing, and are amortized as interest expense by using the effective interest method or, if necessary, by following a formula whose result can be deemed as being sufficiently near the sum calculated by using the effective interest method.

Leases

Leases of property, plant and equipment in which substantially all the risks and rewards of ownership are transferred to the Group are classified as finance leases. Workstations, multifunction printers, monitors and servers have been obtained in the Group through finance leases. An asset leased under a finance lease is recognized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. An asset leased under a finance lease is depreciated over the shorter of the asset's useful life and the lease term. Lease payments are allocated between the interest expense and the reduction of the outstanding liability during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each financial period. Finance lease liabilities are included in other liabilities.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made on operating leases are recognized in profit or loss on a straight-line basis over the lease term.

Impairment

At each balance sheet date the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. In addition, goodwill and intangible assets not yet available for use are tested for impairment annually, regardless of the existence of indication of impairment. The need for impairment is assessed for each cash-generating unit which, in the case of the Evli Group, means for each subsidiary or segment.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is determined as the future net cash flows expected to be derived from the said asset or cash-generating unit which are discounted to present value. The discount rate used is a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset is higher than its recoverable amount. The useful life of the asset is reviewed when the impairment loss is recognized. An impairment loss is reversed if circumstances have changed and the recoverable amount has changed since the date of recognizing the impairment loss. Impairment losses recognized for goodwill are not reversed under any circumstances.

Employee benefits

Pension obligations

All of the Evli Group's retirement plans are defined contribution plans. Payments to defined contribution plans are reflected in profit or loss in the period in which they are incurred. The Evli Group finances all its retirement plans as contributions to pension insurance companies. The contributions take different countries' local regulations and practices into account.

Remuneration

The objective of the Evli Group's reward system is to support the implementation of the company's strategy as well as promote its competitiveness and long-term financial success. A further aim is to contribute to a positive trend in Evli's shareholder value, committing the company employees to the company's objectives in the long run. The system comprises fixed and variable remunerations and long-term incentive systems.

The Compensation Committee, which is made up of members nominated from the Board of Directors, prepares a reward system in accordance with the targets set by the Board of Directors in which the criteria for determining the variable salary elements are determined. The Compensation Committee consists of at least three Board members and is chaired by an independent Board member. The Board adopts the reward system annually. The Board also decides on the remuneration of the CEO and the remuneration of the members of the Executive Group based on a proposal by the CEO.

The reward system must always comply with the valid legislation and guidelines issued by the authorities. The Compensation Committee monitors the functioning and results of the reward system. The Compensation Committee also monitors compliance with the reward system and the rewarding of the persons that are responsible for the company's risk management and control functions. Evli's internal audit function performs an annual audit of the reward system.

Under all circumstances, remuneration in line with the reward system is always subject to a Board resolution. Through a Board resolution, the company can decide, if appropriate, not to pay the variable remuneration element, either in part or in total. Moreover, the company always has the right to reclaim a paid variable remuneration element, should it later discover that actions taken by the individual remunerated have jeopardized the financial position of the company, the individual has violated the regulations affecting the company or the company's own operative principles and procedures, or has contributed to such an action through negligence.

The Evli Group's reward system contains restrictions to ensure that the variable element of the remuneration is not paid out if the Group's result does not show a favorable trend. The premise for bonus payments is a result that is sufficiently strong so that the company's solvency is not jeopardized through variable remunerations. Under no circumstances can remuneration and bonuses exceed 30 percent of the company's result before the profit distribution with employees. The reward system also contains restrictions to ensure that the variable element in the total remuneration does not grow excessively in relation to the fixed salary which would encourage risk-taking beyond the risk-bearing capacity. In case of individuals, the share of the variable element must not exceed 100 per cent of the total fixed salary element, unless the General Meeting decides otherwise. Nevertheless, the share of the variable element cannot exceed 200 percent of the total fixed salary of the individual in question.

In order to avoid conflicts of interest, the remuneration of persons in control functions does not depend on the financial success of the Group or any of its business units. The remuneration of those working in control functions will be tied to their individual performance and attainment of objectives.

A certain percentage of the result of the Evli Group business units is reserved for the purposes of the reward system, to be determined on the basis of the unit's and Group's results. An upper limit has been set for the variable remunerations. In situations where the consolidated result exceeds this upper limit, no variable remuneration depending on the result is promised for the part in excess of the limit. The heads of the business units define the indicators and internal models that are used to determine the distribution of the bonus allocated to each business unit between the teams and individuals. The indicators and models are designed to account for long-term performance and compatibility of eventual bonuses with the company's operations and related risks.

Under certain circumstances, the company will be obliged to postpone the payment of the variable remuneration element. In this case, the postponement will be three (3) years from the end of the respective earning period. The amount of the remuneration payable after the postponement depends on the company's financial performance during the period of postponement, and it can also be zero. The company requires that the employees do not take any personal action to protect themselves against risks related to the amount of their future variable remunerations or risks at the time of payment.

In addition to the above remuneration methods, the company may create separate long-term incentive systems. The Evli Group has one share-based incentive program that is based on stock options that is currently in effect. Under this system, the stock options are issued gratuitously to the key persons employed or to be recruited by the Evli Group. In divergence to the preferential subscription rights of the shareholders, the option rights are issued to the key employees named by the company's Board of Directors, to promote their commitment and motivation. The company's Board of Directors decides upon the distribution of stock options. The Board also decides upon the redistribution of any stock options that may later be returned.

Provisions

A provision is recognized when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the Group can reliably estimate the amount of the obligation.

Income taxes

The profit and loss account's tax expense comprises current and deferred tax. Current tax is calculated on the taxable profit for the period determined on the basis of the enacted tax rate of each country, adjusted by any taxes related to previous periods.

Deferred tax is generally calculated on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. However, deferred tax assets have been recognized to the extent that future taxable income is likely to be generated, against which the temporary difference can be used. The largest temporary differences arise from the depreciation of fixed assets and tax losses. No deferred tax is recognized on the undistributed profits of subsidiaries to the extent it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is measured by using the tax rates enacted by the balance sheet date.

Financial assets and liabilities

The Group's financial assets and liabilities are classified in accordance with IAS 39 Financial Instruments: Recognition and Measurement into the following categories: financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets, loans and receivables and other financial liabilities. The classification is done when a financial instrument is recognized initially. The Group does not have financial assets that belong in the held-to-maturity investments category.

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or the Group has transferred substantially all the risks and rewards of ownership of the financial asset to an external party. Financial assets and liabilities are recognized according to the trade date. A financial liability is derecognized when the obligation specified in the contract is discharged.

A financial asset and a financial liability shall be offset only when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Group's measurement process for financial instruments is approved by Evli Bank's Board of Directors. The measurements are based on IFRS 13 and IAS 39, and on the Financial Supervisory Authority's regulations 1/2013: Bookkeeping in the financial sector. The bank's financial administration together with risk management administers the Group's measurement process which includes the inspection and validation of valuation prices, checking the parameters used in measurement, and classification of financial instruments in accordance with the standard. Every quarter, the bank's Audit Committee audits and submits for approval by the Board of Directors the measurement of equities and units for which no market value is available (instruments in measurement level 3 and measurements by associates).

Financial assets

The financial assets at fair value through profit or loss category is divided into two sub-categories: trading assets, e.g. shares and derivatives, and financial assets designated as at fair value through profit or loss upon initial recognition, e.g. long-term investments in funds and shares, and the Treasury's investments in bonds and other interest-bearing papers.

The use of the fair value option for items not in the trading stock is justified because the performance and risk of these financial assets are evaluated on the basis of fair value in accordance with the risk management and investment strategy.

Trading assets are acquired principally to obtain profit in the short term through changes in market prices.

The value of financial assets at fair value is determined on the basis of prices quoted on active markets, i.e. bid quotations on the balance sheet date and closing prices. In cases where price quotations have not been available from active markets, the fair value has been determined using common theoretical measurement models, such as derivative pricing models. The fair value of unlisted equities, private equity funds and other instruments is estimated primarily using the instrument's net asset value, a cash flow analysis based on future outlooks, or the latest valuation published by a private equity fund's or real estate fund's management company. If the acquisition price of an unlisted investment falls short of the theoretical valuation, in individual cases, the instrument's acquisition price may be used as the measurement principle, subject to consideration. Unrealized and realized gains and losses arising from changes in the fair value are recognized in net income or loss from securities trading in profit or loss for the period in which they were incurred.

Available-for-sale financial assets include long-term investments for which a public price quotation is not available from an active market, and whose fair value cannot therefore be reliably determined. Such investments' fair value is estimated primarily using the share's net asset value or, alternatively, using a cash flow analysis based on future outlook. An estimate is made quarterly to assess whether there is objective evidence of the value of the investment declining. The bank's Audit Committee audits and submits its valuations to the Board of Directors for approval. The realized profit and impairment losses are recognized in profit or loss in net income from available-for-sale financial assets, while unrealized value increase is recognized in the fair value reserve. If the acquisition price of an unlisted investment falls short of the theoretical valuation, in individual cases, the instrument's acquisition price may be used as the measurement principle, subject to consideration. The total value of the Group's available-for-sale shares is very low.

Loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and that the Group is not holding for trading purposes. Loans and other receivables are initially recognized at fair value inclusive of expenses immediately caused by the acquisition. After initial recognition, loans and receivables are measured at amortized cost.

Cash and cash equivalents comprise the cash reserves and minimum deposit balances required by the Bank of Finland. Repayable on demand deposits in credit institutions are also included in cash and cash equivalents in the cash flow statement.

Negative market values from derivatives

Financial liabilities are initially recognized at fair value based on the consideration received inclusive of expenses immediately caused by the acquisition. Subsequently, all bonds and certificates of deposit issued by the company are measured at amortized cost, using the effective interest rate method. Shorted shares, stock options set and other derivatives recognized as liabilities are measured at fair value through profit or loss.

The fair value of liabilities measured at fair value through profit or loss is determined principally on the basis of prices quoted on active markets, i.e. asking prices quoted on the balance sheet date and closing prices on the balance sheet date. In cases where reliable price quotations have not been available from active markets, the fair value has been determined using common theoretical measurement models.

In securities lending occurring in conjunction with shorting shares, the securities are retained in the original owner's balance sheet.

The liability corresponding to assets acquired with financial leasing agreements is included under other liabilities.

Impairment of financial assets

An item of loans and receivables is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Objective evidence of adverse changes in the borrower's ability to settle its obligations is based on the borrower's risk rating and Group's experience and management's estimate of the effects of delayed payments on future cash flows.

An impairment loss is recognized if the present value of the estimated future cash flows of the receivable discounted at the original effective interest rate is lower than the carrying amount of the receivable. The analysis takes into account the amount received upon the liquidation of the collateral. After the impairment the interest expense is recognized on the impaired amount.

In addition to individual impairments, the management regularly evaluates the collective need for impairment losses.

The impairment is cancelled in part or in whole if, after recognition of the impairment, the recognition is deemed to be groundless due to an improvement in the debtor's financial position or due to another event that has a positive effect on the cash flows received from the debt.

The impairment is recognized as a credit loss when the debtor has been found insolvent in bankruptcy proceedings, it has closed down or the receivable has been forgiven in a voluntary or statutory loan arrangement.

Derivative contracts

The Group has treated derivative financial instruments in accordance with IAS 39 Financial Instruments: Recognition and Measurement. Derivative financial instruments are initially recognized at cost, which corresponds to their fair value. Subsequently derivative financial instruments are measured at fair value. Resulting gains and losses are treated in accordance with the purpose of the derivative instrument. Positive changes in the value of derivative contracts are recognized in the balance sheet as assets and negative changes as liabilities.

The company does not apply hedge accounting, and derivative financial instruments are classified as held for trading. Changes in the value of derivatives in this category during the year and the realized gains/losses are presented in the income statement under net income from securities trading.

Recognition of equity linked notes

The calculatory commission from issued equity linked notes, is recognized immediately in the income statement. The entire commission is available for use on the date of issue of the notes, and the commission is used to cover the arrangement and issuance of the notes. The notes are recognized in the balance sheet at the amortized cost, and the interest component of the loan, which is the same as the value of the option, is recognized as a separate debt item in the group "Derivative contracts and trading liabilities". The interest expense for the notes is calculated by using the effective interest method.

Treasury shares

The cost of treasury shares acquired by the parent company is deducted from equity. When such shares are sold later, all of the consideration received is included in equity.

Operating profit

IAS 1 Presentation of Financial Statements does not define the concept of operating profit. The Group has defined it as follows: operating profit is the net sum formed after employee benefits expenses, other administrative expenses, depreciation, amortization and possible impairment losses, and other operating expenses are deducted from revenue. All other items than the ones mentioned above are presented below operating profit in profit or loss.

Earnings per share

Undiluted earnings per share are calculated by dividing the profit or loss attributable to the parent company's shareholders by the weighted average number of shares in circulation during the financial period, excluding Evli shares acquired and held by the Group during the period. Diluted earnings per share are calculated by adjusting the weighted average number of shares by the dilutive effect of the stock options.

Revenue recognition principles

Income from projects related to Corporate Finance operations are recognized as profits for the financial year in which the project's end result can be assessed reliably. The expenses arising from a project and the loss that can be expected are expensed immediately. Commissions from asset management are accrued monthly and are invoiced in arrears in three-, six- or twelve-month periods. Securities brokerage events are recognized according to the trading date. The income of the above-mentioned segments is recognized as profits in commission income.

Interest income and expenses are calculated by using the effective interest method or, if necessary, by following a formula whose result can be deemed as being sufficiently near the sum calculated by using the effective interest method. In recognizing an impairment loss on a contract classified as a financial asset, the recovery of interest is continued at the lowered accounting balance using the original effective interest rate of the contract. If the receipt of interest is unlikely, it is recognized as an impairment loss. Interest income obtained from financial assets is recognized as interest income.

Accounting policies requiring management's judgment and key sources of estimation uncertainty

Preparation of the financial statements requires the making of certain estimates and assumptions about the future, and the actual outcomes may differ from these estimates and assumptions. The estimates are based on experience and on management's assumptions that were considered reasonable under the circumstances at the time. The most significant estimates concern the impairment testing of goodwill and the measurement principles of theoretically measured financial instruments.

Impairment testing of goodwill is based on the estimated future recoverable net cash flows of the cash generating units to which goodwill has been allocated, which is then compared to these units' carrying amounts. The testing requires making of assumptions concerning variables such as the growth rate of returns, costs of operations and the discount rate.

In situations where no external market price is available for individual financial instruments when valuing unquoted securities or derivatives at their fair value, a price is used, which is theoretically calculated based on the generally approved valuation models used in the market. Alternatively, valuation based on net asset value is employed.

An impairment is recognized in an associate's value if the company's financial position has deteriorated substantially or if the company's future outlook is deemed to contain substantial risk factors that, if realized, would weaken the associated company's financial position. The valuation is calculated using theoretical methods, and the impairment is reported under impairment losses of other financial assets.

New International Financial Reporting Standards (IFRS)

The IASB has published the following new or revised standards and interpretations that the Group has applied from the beginning of 2015.

- Amendments to IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions (effective for financial years beginning on or after 1 July 2014): The amendments clarify the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. The amendments are not assessed to have an impact on Evli's consolidated financial statements.
- Annual Improvements to IFRSs (2011–2013 cycle and 2010–2012 cycle) (effective for financial years beginning on or after 1 July 2014): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total four (2011–2013 cycle) and seven (2010–2012 cycle) standards. Their impacts vary standard by standard but are not significant.
- IFRIC 21 Levies (effective for financial years beginning on or after 1 January 2014; in the EU to be applied at the latest, as from the commencement date of its first financial year starting on or after 17 June 2014): The interpretation clarifies the accounting treatment of levies. A liability for a levy is recognised when the activity that triggers payment, as identified by the relevant legislation,

occurs. The interpretation is applicable to all levies other than income taxes, fines, penalties and outflows that are in scope of other standards. The interpretation had no significant impact on Evli's consolidated financial statements.

Adoption of new and amended standards and interpretations applicable in future financial years

Evli has not yet adopted the following new and amended standards and interpretations already issued by the IASB. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

* = not yet endorsed for use by the European Union as of 31 December 2015.

- Amendment to IAS 1 Presentation of Financial Statements: Disclosure Initiative (effective for financial years beginning on or after 1 January 2016). The amendments are designed to encourage companies to apply judgement in determining what information to disclose in the financial statements. For example, the amendments clarify the application of the materiality concept and judgement when determining where and in what order information is presented in the financial disclosures. The interpretation had no significant impact on Evli's consolidated financial statements.
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for financial years beginning on or after 1 January 2016): The amendments clarify IAS 16 and IAS 38 that revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in limited circumstances to amortise intangible assets. The amendments will have no impact on Evli's consolidated financial statements.
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures: Investment Entities: Applying the Consolidation Exception* (the amendments can be applied immediately; mandatory for financial years beginning on or after 1 January 2016): The narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 clarify the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The amendments will not have an impact on Evli's consolidated financial statements.
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (effective for financial years beginning on or after 1 January 2016): The amendments add new guidance to IFRS 11 on how to account for the acquisition of an interest in a joint operation that constitutes a business, i.e. business combination accounting is required to be applied. The amendments are not assessed to have an impact on Evli's consolidated financial statements.
- Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements (effective for financial years beginning on or after 1 January 2016): The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments will not have an impact on Evli's consolidated financial statements.
- Annual Improvements to IFRSs (2012–2014 cycle) (effective for financial years beginning on or after 1 January 2016): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in four standards. Their impacts vary standard by standard but are not significant.
- New IFRS 15 Revenue from Contracts with Customers* (effective for financial years beginning on or after 1 January 2018): IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. Under IFRS 15 an entity shall recognise revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is currently assessing the impact of IFRS 15.
- New IFRS 9 Financial Instruments* (effective for financial years beginning on or after 1 January 2018): IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Group is assessing the impact of IFRS 9.

Other new or revised standards and interpretations will not have an impact on Evli's consolidated financial statements.

SEGMENT REPORTING

Evli Bank's primary segment reporting is based on the Group's business segments, and these are also used in the Group's internal reporting. The highest operational decision-making body in the company is the Board of Directors. Evli Bank Plc's business segments are asset management, markets and corporate finance. The Group also has a number of joint functions, which are reported under Group operations. Secondary segment reporting for monitoring revenue is based on geographical areas: Finland, Sweden and other countries.

The business segments consist of business units, each of which has its own products, services, earnings logic and profitability that differ from those of the other units. The business risks of the various segments are also different.

Inter-segment pricing occurs in arm's length transactions at fair value. The revenue and expenses that are deemed as directly attributable to, or can be allocated on a reasonable basis to, a particular business area are allocated to that business area. The revenue and expenses that are not allocated to a particular business area, and the inter-business-area eliminations in the Group, are reported under Group operations. The distribution of the Group's assets and liabilities among the business areas is not monitored on a regular basis and is therefore not reported in connection with the segment reporting.

Evli modified its business area reporting at the beginning of 2015 by concentrating the business functions that generate what is known as recurring revenue in the Wealth Management unit. These functions include custody operations and management of incentive systems, which were previously reported under the Markets unit. As a result, Evli's business reporting corresponds better with the reporting structure that is based on the company's strategy.

Asset Management

Evli's asset management service comprises individualized institutional asset management and the Evli Private Banking service, as well as a wide range of mutual funds. Institutional asset management offers professional total asset management solutions to clients such as insurance companies, pension funds, organizations, municipalities and companies. Evli's Private Banking is a comprehensive asset management service for private individuals with investment assets in excess of EUR 300,000. Other private clients are offered the electronic Online Banker asset management service, mutual funds, electronic banking services and other standardized money market products.

At the start of 2015, custody operations and the management of incentive systems were transferred to the asset management segment.

Markets

The Markets unit's operations are divided into four business areas: equity brokerage, alternative investment product brokerage, market making, and investment research. Alternative investment products include derivatives, ETFs and fixed income instruments, and structured products.

Corporate Finance

The Corporate Finance unit provides advisory services related to M&A transactions and securities offerings. M&A transactions include acquisitions, divestments, mergers and demergers. Securities offerings comprise initial public offerings, share issues, share sales, convertible bonds and private placement arrangements.

Group operations

Group operations comprise the treasury, payments, credit management, Evli Bank's investments, financial administration, risk management, IT, corporate communications, legal affairs, compliance activities, human resources administration and internal services.

	Markets	Corporate Finance	Asset Management	Group Operations	Unallocated	Group
2015 (1 000 EUROS)	1.1.–31.12.2015	1.1.–31.12.2015	1.1.–31.12.2015	1.1.–31.12.2015		1.1.–31.12.2015
SEGMENT INCOME STATEMENT						
REVENUE						
External sales	12 272	5 201	42 968	2 935	873	64 249
Inter-segment sales	-361	324	-150	189	-2	
Total revenue	11 911	5 525	42 818	3 124	871	64 249
RESULT						
Segment operating expenses	-9 085	-4 329	-23 918	-12 750	-907	-50 988
Corporate expenses	-2 462	0	-6 911	9 373		0
Operating profit	365	1 196	11 989	-252	-35	13 261
Share of profits (losses) of associates					2 104	2 104
Segment income taxes					-3 017	-3 017
Segment profit/loss after taxes	365	1 196	11 989	-252	-948	12 349

	Markets	Corporate Finance	Asset Management	Group Operations	Unallocated	Group
2014 (1 000 EUROS)	1.1.–31.12.2014	1.1.–31.12.2014	1.1.–31.12.2014	1.1.–31.12.2014		1.1.–31.12.2014
SEGMENT INCOME STATEMENT						
REVENUE						
External sales	11 200	6 664	37 364	3 727	779	59 734
Inter-segment sales	-393	-2	-10	425	-19	0
Total revenue	10 806	6 662	37 354	4 151	760	59 734
RESULT						
Segment operating expenses	-9 565	-4 721	-22 499	-12 505	-679	-49 970
Corporate expenses	-2 527	-210	-6 584	9 321		0
Operating profit	-1 286	1 731	8 271	967	81	9 764
Share of profits (losses) of associates					266	266
Segment income taxes					-2 355	-2 355
Segment profit/loss after taxes	-1 286	1 731	8 271	967	-2 009	7 674

Regular reporting to top management does not include breakdown of assets and liabilities of Evli Group to different business segments. Because of this the breakdown of assets and liabilities to segments is not included in the official segment report. Allocated corporate expenses includes cost items relating to general administration of Evli Group and banking business that are allocated to business units using allocation drivers in place at each time of review. Group Operations comprise Management of Evli Group, certain back-office functions, Treasury, Group Risk Management, Financial Administration, Information Management, Group Communications, Legal Department and Compliance, and Human Resources.

	Finland	**Sweden**	**Other countries**	**Group**
2015 (1 000 EUROS)	1.1.–31.12.2015	1.1.–31.12.2015	1.1.–31.12.2015	1.1.–31.12.2015
SEGMENT INCOME STATEMENT (GEOGRAPHICAL)				
Net revenue	**56 075**	**7 114**	**1 061**	**64 249**
SEGMENT BALANCE SHEET (GEOGRAPHICAL)				
Segment assets	**626 491**	**4 843**	**913**	**632 247**
	Finland	Sweden	Other countries	Group
2014 (1 000 EUROS)	1.1.–31.12.2014	1.1.–31.12.2014	1.1.–31.12.2014	1.1.–31.12.2014
SEGMENT INCOME STATEMENT (GEOGRAPHICAL)				
Net revenue	55 575	3 090	1 069	59 734
SEGMENT BALANCE SHEET (GEOGRAPHICAL)				
Segment assets	487 014	2 155	879	490 047

No individual clients of Evli Bank Plc have returns that exceed 10 percent of the total returns.

CORPORATE GOVERNANCE

The governance of Evli Bank Plc (hereinafter Evli) is based on the Articles of Association, the Finnish Limited Liability Companies Act, applicable statutory provisions governing the Finnish securities markets, the regulations of the Finnish Financial Supervisory Authority, the rules and regulations of Nasdaq Helsinki Ltd, and other statutes and regulations concerning the governance of public limited companies. Evli also complies with the Finnish Corporate Governance Code issued by the Securities Market Association. The Code can be viewed in full on the Securities Market Association website at www.cgfinland.fi/en/. Further information on Evli's risk management system is available in section 'Risk Management and Internal Control'.

General Meeting of Shareholders

The ultimate decision-making power in the company is exercised by shareholders at General Meetings. At these meetings shareholders are able to participate in the control and supervision of the company. General Meetings are held at least once a year. The Annual General Meeting (AGM) is held upon completion of the company's financial statements, at a place and on a date designated by the Board of Directors. The date must be no later than the end of June.

Matters to be discussed at a General Meeting are specified in the Limited Liability Companies Act and in Evli's Articles of Association. The General Meeting normally discusses not only the matters specified by law and in the Articles of Association but also items presented to the meeting by the Board of Directors. Under the Limited Liability Companies Act, shareholders are also entitled to bring for discussion at a General Meeting any matter that falls within the authority of the meeting.

At the AGM, information is presented about the company's activities, and the financial statements for the preceding annual period are adopted. Resolutions are also taken at the AGM concerning the company's profit distribution, granting release from liability for the Board members and the CEO and his deputy, the election of Board members and appointment of auditors and the remuneration to be paid to them.

The Board of Directors may convene an Extraordinary General Meeting if it considers this necessary. The auditor and any shareholder with more than ten percent of the company's shares also have the right to demand that an Extraordinary General Meeting be called to discuss a matter to be presented by the auditor or shareholder.

Board of Directors and its committees

The Annual General Meeting of Evli Bank Plc each year elects a Board of Directors, which, between General Meetings, exercises the ultimate decision-making power in the Evli Group. The task of Evli's Board is to manage the company in accordance with the law and official regulations, and in compliance with the Articles of Association and the decisions of the General Meeting.

The AGM elects four to eight members to the Evli Board of Directors from among representatives of the major shareholders and from among external, independent experts who have diverse experience of business and of the industry in which Evli operates. Board members are elected for a term of one year, which begins at the close of the AGM and expires at the close of the first AGM following their election. The Board elects a Chairman and Vice Chairman from among its members.

The Board has approved a written procedure defining its duties and meeting practices. The Board of Directors is responsible for the company's administration and appropriate organization of operations, and for ensuring that the company's accounting and asset management are monitored in an appropriate manner. The Board handles all matters that are of extensive and fundamental importance for the operation of the company and the entire Group. The Board's responsibilities include deciding upon the Evli Group's business strategy, approving the budget and the principles for the arrangement of the Evli Group's risk management and internal control. The Board appoints the CEO and the members of the Executive Group, relieves them of their duties and decides upon the CEO's salary and other benefits. The Board also approves the objectives for the Group's human resources planning and monitors the implementation of these objectives, and it decides the basis for the Group's remuneration system and other far-reaching matters that concern the personnel. In accordance with the principles of good governance, the Board also ensures that the company, in its operations, endorses the corporate values that have been set out for compliance. The Board conducts an annual review of its activities and working practices in the form of an internal self-assessment.

Evli Bank Plc's Annual General Meeting, held on March 6, 2015, confirmed six as the number of members of its Board of Directors. Henrik Andersin, Robert Ingman, Harri-Pekka Kaukonen, Mikael Lilius, Teuvo Salminen and Thomas Thesleff were re-elected to Evli Bank Plc's Board of Directors. Henrik Andersin was chosen as Chairman of the Board.

Evli Bank Plc's Extraordinary General Meeting decided on October 1, 2015 to raise the number of Board members to seven and elected Johanna Lamminen as the seventh Board member.

Evli's current Board of Directors consists of industry experts and the company's major shareholders. Harri-Pekka Kaukonen, Mikael Lilius, Teuvo Salminen and Johanna Lamminen are independent of the company and shareholders .

The Board of Directors convened 13 times in 2015. The average attendance rate of Board members at the meetings was 91.6 percent. The meeting attendance fee payable to Board members in accordance with the AGM's decision was EUR 4,100 per month, and the Chairman's attendance fee was EUR 6,000 per month. The Chairmen of the committees were also paid EUR 800 for each committee meeting. During the financial year members of the Board received no shares or share-based rights as remuneration.

The Board has established an Audit Committee and a Compensation and Nomination Committee to prepare matters to be handled by the Board. The committees have no independent decision-making power; instead, decisions are made by the Board on the basis of recommendations and information supplied by the committees. The committees make regular reports on their activities to the Board.

Audit Committee

The Audit Committee is responsible for assisting the Board of Directors in ensuring that the company has an adequate internal control system covering all operations and that the company's risk management has been arranged appropriately, and it also monitors the financial statements reporting process. Additionally, the Audit Committee is responsible for overseeing the accuracy and correctness of the company's financial reporting, monitoring the statutory auditing of the financial statements and consolidated financial statements, and preparing the proposal on the appointment of auditors and the auditors' fees, to be made to the AGM. Furthermore, the Audit Committee is responsible for ensuring that the company's operations and internal control have been arranged in accordance with all applicable laws, regulations, and good management and governance practices, as well as for monitoring the activity and efficiency of the internal audit function and assessing the independence of the statutory auditor or auditing firm, and especially the provision of ancillary services to the company. The Audit Committee consists of at least two members, who may not be part of the company's management and must be independent of the company. The committee is elected by the Board of Directors from among the Board's members. In addition to the committee's regular members, the meetings are attended by the auditors, the CEO, the CFO and the internal auditor. The committee meets every quarter.

The committee met five times in 2015. The Audit Committee's Chairman in 2015 was Teuvo Salminen and its members were Robert Ingman and Johanna Lamminen (from October 1, 2015). The Audit Committee members' average attendance rate at meetings was 100 percent.

Compensation and Nomination Committee

The Compensation and Nomination Committee is responsible for assisting the Board of Directors in the preparation of matters related to the management's employment terms and compensation, the compensation and incentive systems for management and personnel, and the regular assessment of the functioning of and compliance with the compensation system. The committee consists of at least three members, elected by the Board from among its members. The committee Chairman is chosen from among the committee members and must be an independent Board member.

The members of Evli's Compensation and Nomination Committee are Harri-Pekka Kaukonen (Chairman), Henrik Andersin, Mikael Lilius and Thomas Thesleff. The committee met four times in 2015. The Compensation and Nomination Committee's members' average attendance rate at meetings was 87.5 percent.

Chief Executive Officer and Executive Group

Evli's Board of Directors appoints the company's CEO and decides the terms and conditions of his or her service relationship. The CEO is responsible for the company's day-to-day management in compliance with the instructions and decisions provided by the Board of Directors. The CEO's duties include the management and supervision of the Group's business, preparation of matters to be handled by the Board, and implementation of the Board's decisions. In accordance with the Limited Liability Companies Act, the CEO ensures that the company's accounting is lawful and that the asset management is arranged reliably.

The CEO's period of notice is six months, and the severance compensation payable to the CEO in addition to the salary for the period of notice corresponds to 12 months' salary. The CEO's retirement age is 63.

The company's CEO is Maunu Lehtimäki, M.Sc. (Econ.), born 1967. In 2015, the CEO was paid a salary of EUR 381,600.00 plus EUR 50,240.00 in performance bonuses and other benefits, making a total of EUR 431,840.00. As part of the incentive and commitment system 42,500 stock options were granted to the CEO.

In managing the company's operations, the CEO is assisted by Evli's Executive Group. The Executive Group consists of the CEO and six members. The CEO presents a proposal regarding the choice of members to the Executive Group, and these names are then subject to confirmation by the Board of Directors. The CEO convenes the Executive Group as necessary and serves as its Chairman. The Executive Group normally meets twice a month. The Executive Group's task is to support the CEO in preparing and implementing the strategy and in coordinating the Group's operations. The Executive Group's duties also include preparing and executing matters that are significant or involve fundamental principles, and ensuring internal cooperation and communication.

Evli holdings of Board members, the CEO and Executive Group members

At the end of 2015, Evli's current Board members held, either directly or indirectly, about 51.00 percent of the company's total stock and 55.46 percent of the total votes. At the end of 2015, Evli's CEO held, either directly or indirectly, about 2.33 percent of the company's total stock and 2.54 percent of the total votes. The other members of the Executive Group together held 4.36 percent of the company's total stock and 4.76 percent of the votes at the close of 2015.

Internal audit

Internal audit is a support function for the Board of Directors and senior management and is independent of the business functions. It is administratively subordinate to the CEO and it reports to the CEO and, via the Audit Committee, to the Board of Evli Bank.

Internal audit assesses the functioning of the Evli Group's internal control system, the appropriateness and effectiveness of the functions and compliance with instructions. It does this by means of inspections that are based on the internal audit action plan adopted annually by the Audit Committee of the Board of Evli Bank. Evli's Board of Directors, management and personnel can make use of the assessments for operational management, control and development purposes. Internal audit also proposes measures for developing risk management, internal control and managerial and administrative processes.

Internal audit follows not only the internal audit guidelines but also the internationally acknowledged framework of professional practices (The Institute of Internal Auditors) and corresponding information systems audit standards (Information Systems Audit and Control Association).

Auditors

The shareholders elect the company's auditors each year at the Annual General Meeting. The auditors must be an auditing firm approved by the Finland Chamber of Commerce. The auditors' term continues until the end of the first AGM that follows the election of the auditors. The auditors' duties are to ensure that the financial statements have been prepared in accordance with the applicable statutes and provide a true and fair view of the company's financial position and performance and other necessary information for the company's stakeholders.

As part of their annual audit duties, the auditors of Evli Bank Plc audit the accounts and administration of the separate companies. The internal control requirements are taken into account in the auditors' audit plans. Each year, the auditors submit their report to the Annual General Meeting of Evli Bank Plc. The auditors also report the main points of the annual audit plan to the Board of Directors and to the Board's Audit Committee as well as presenting, in connection with each interim report and the financial statements, a written audit report covering the entire Group.

The 2015 AGM elected KPMG Oy Ab, Authorized Public Accountants, as the company's auditor and Marcus Tötterman, APA, as the principally responsible auditor. KPMG generally serves as the auditor for all the subsidiaries, with the exception of Terra Nova Ltd and Head Asset Management Ltd. Terra Nova's auditor was RSM Dahman Auditors and the auditor for Head Asset Management Ltd was Ernst & Young Oy, with Tuomas Rahkamaa as the principally responsible auditor.

In 2015 the auditing firms were paid fees totaling EUR 363,672.59. The fees for auditing came to EUR 242,776.37, and the fees for advisory services unconnected with auditing were EUR 120,896.22.

Description of the Evli Group's financial reporting process

The Board of Directors is responsible for overseeing the Evli Group's financial reporting. The Audit Committee assists the Board in this work. The CEO's and CFO's task is to monitor and ensure that the accounting and the financial reporting accord with the law, the Group's accounting policies and the guidelines and orders issued by the Group's Board of Directors.

The Group's accounting and results reporting are centralized under the responsibility of the Group's Financial Administration unit. The Financial Administration unit is subordinate to the CFO and is responsible for producing on a centralized basis the financial statements information required for external accounting . The unit also produces internal accounting analyses and the results reports for monitoring business activities, the separate companies and the Group's profitability. Profit performance is reported monthly both to the Executive Group and the Board of Directors in the form of specific results reports. The aim is to identify and demonstrate success factors as well as development areas well in advance, thus making it possible to react to these. Reporting practices are also used for monitoring the implementation of the business plans for the business units. The Group's Financial Administration unit is also responsible for monitoring and reporting on the performance of each business unit. Further responsibilities include reporting the financial results, sales and activity at least monthly, and even daily depending on the unit, to the Executive Group and other concerned parties. The Evli Group complies with the International Financial Reporting Standards (IFRS) approved for application in the EU. The Group prepares the annual financial statements and also a quarterly interim report (IAS34). The instructions on financial reporting and the accounting principles are applied in all the Group companies. The accounting of all the Group companies is included in the same accounting system, with the exception of Group companies in Russia and the United Arab Emirates. The accounting of the Group company Head Asset Management Ltd was outsourced in 2015.

RISK MANAGEMENT AND INTERNAL CONTROL

Evli's values and its policy of transparent and appropriate communications support the company's operational integrity and high ethical standards. The company's organizational structure, clearly established responsibilities and authorizations, and its competent staff support the planning, execution, control and monitoring of business operations in a manner that facilitates the achievement of the set objectives.

Risk management refers to actions aimed at systematically surveying, identifying, analyzing and preventing risks. The objective of risk management is to ensure that the company's assets are sufficient in relation to its risk positions, that fluctuations in financial results and valuations remain within the confirmed objectives and limits, and that risks are priced in the right way to achieve sustainable profitability.

Organization of risk management

Evli Bank's Board of Directors is primarily responsible for the Evli Group's risk management, and confirms the risk management policies, responsibilities, the Group's risk limits and other general guidelines governing how risk management and internal control is to be organized. The Board has also set up a credit and asset liability committee (Credalco) that briefs it on risk-taking matters. The members during the review period were Kristian Nybergh (Chairman), Juho Mikola, Lea Keinänen, and Maunu Lehtimäki, and the expert members were Mari Etholén, Jarkko Heikkilä and Bengt Wahlström.

The managers of the business units are responsible for ensuring that risk management is at a sufficient level in each respective unit. The business units' task is to develop risk management and internal control processes and competence, identify and analyze risks, and make decisions on risk management with the aid of various protection measures.

The Risk Management unit oversees daily operations and compliance with the risk limits granted to the business units, as well as compliance with risk-taking policies and guidelines. Risk Management reports on the Evli Group's overall risk position to the Board and the Executive Group each month.

The Compliance function is responsible for ensuring compliance with the rules in all of the Evli Group's operations by supporting operating management and the business units in applying the provisions of the law, the official regulations and internal guidelines, and in identifying, managing and reporting on any risks of insufficient compliance with the rules in accordance with the separate Compliance policy and monitoring plan confirmed by Evli Bank's Board of Directors. The Compliance function reports regularly via the audit committee to Evli Bank's Board and also to the operating management.

The internal audit, which supports the Board of Directors and the senior management, is a body that is independent of business operations. It is organized administratively under the CEO and reports to the CEO and, by way of the audit committee, to Evli Bank's Board of Directors.

The internal audit assesses the functioning of the Evli Group's internal control system, the appropriateness and efficiency of its operations, and the compliance with guidelines, through audits that are based on a plan of action for internal auditing that is confirmed annually by the audit committee of Evli Bank's Board of Directors.

The internal audit follows not only the internal audit guidelines, but also an internationally acknowledged framework of professional practices (The Institute of Internal Auditors) and corresponding information systems audit standards (The Information Systems Audit and Control Association).

The Group also has an independent internal audit function which is responsible for the continuous auditing of the Group's functions.

Risk concepts

Evli divides risks into three main categories:

1. Financial risks, including market, liquidity and credit risks
2. Operational risks including legal, compliance and information security risks
3. Business risks.

Market risks

Price risks:

One substantial market risk is the price risk of Evli's own investment portfolio and trading stock. The own-book trading in which Evli engages on the equity markets is focused on securities quoted on the stock exchanges of Helsinki and Stockholm, and on derivatives connected to these securities. The investment activity related to the equity markets comprises market making operations, temporary investments for brokerage purposes, trading based on various trading strategies, and fund and private equity investments. Evli's Treasury engages in investment activity on the fixed income and currency markets.

The delta-adjusted equity market risk was at the same level as in the previous year. The equity risk is measured by using delta-adjusted risk and other so-called "Greeks," as well as by using stress tests. The delta-adjusted average of the total equity risk for 2015 was EUR 7.3 million, and at the end of the year EUR 7.4 million (the corresponding figures for 2014 were EUR 6.7 million and EUR 8.0 million). See notes 17 and 19 in the Notes to the Financial Statements.

The equity-related risks were moderate in relation to Evli's risk-bearing capacity. In the end-of-year situation, a scenario featuring negative market movements of 20 percent would have led to a loss of about EUR 1.4 million (a loss of EUR 1.6 million in 2014). Evli did not have significant equity risks related to an individual issuer at the end of the year. The Board has set maximum limits for investments in single issuers and for the total amount of investments in the emerging markets. In addition, illiquid investments and investment commitments are monitored regularly.

Share-based incentive plans managed for clients on a contractual basis were carried out by acquiring equities in the client companies in question. There was no equity market risk for Evli. The credit and counterparty risks arising from market price fluctuations are monitored separately.

Approximately 8 percent of the total value of the investment portfolio and the trading stock has been measured using valuation models. Information on the methods used to measure investment instruments can be found under Accounting Policies in the Financial Review. Instruments measured by theoretical means were recognized entirely through profit or loss during the financial year, because the maturity periods of theoretically measured agreements are short and the accounting parameters used are primarily based on information from the markets.

Currency risks and interest rate risks:
The Evli Treasury's currency risk limits have been defined by currency, and currency-specific and aggregate stop-loss limits have been linked to them. Considering the scope of Evli's business, direct currency risks were of minor significance in 2015. The fixed income risk of the Treasury's investments was approximately EUR 400,000 at the end of the year (EUR 500,000 in 2014) assuming that market rates change by one percentage point. The interest rate risk is also measured by means of change scenarios linked to the shape of the interest rate curve. If the shape of the interest rate curve is stressed on the assumption that the 3-month rate would rise or fall by one percentage point and that the 5-year rate would fall or rise by half a percentage point, the effect would be EUR 100,000.

In 2015, market risks accounted for 5.9 percent of Evli's total risk-based capital requirement including operational risks (4.4%).

Liquidity risk and solvency

The Board of Directors of Evli Bank Plc sets limits for the use of corporate capital. The proposals for these limits are prepared by the Group's risk management committee, Credalco. Evli's funding policy always assumes the full use of these limits.

Evli's Treasury is responsible for managing the liquidity risk. Liquidity risk is monitored by the Group Risk Management Unit, which reports its findings to Credalco and the company's Board of Directors.

The use of funds was primarily related to capital market products and lending. Capital is also tied by collateral for settlement and derivatives trading. Deposits from the public and credit institutions totaled approximately EUR 358 million at the end of 2015. The immediately available liquidity, consisting of the sum of avista account funds and non-pledged securities, was on average about EUR 304 million at the end of the year. This figure incorporates the use of capital within the Group. The bulk of funds were raised for a term of less than one year and the primary sources of funds were the customer deposits. The long-term funding increased during 2015 and was about EUR 31.4 million (EUR 28.5 million in 2014).

Evli's Internal Capital Adequacy Assessment Process (ICAAP) found no need for extra capital to cover liquidity risk.

The Liquidity Coverage Requirement (LCR) entered into force on October 1, 2015 which means that the liquidity coverage ratio must be a minimum of 60 percent. The requirement will be raised gradually so that as of January 1, 2016 the requirement will be 70 percent and finally 100 percent in 2018.

The Liquidity Coverage Requirement reflects the bank's pool of liquid assets in relation to net cash outflows over a 30-day stress period, such as outflows of deposits and other financial assets.

The Evli Group's LCR ratio was 102 percent on December 31, 2015.

Credit risks

The Board of Directors has approved a corporation-wide strategy for managing credit risks. The strategy defines the lending policies and specifies collateral requirements, pricing and maturities. The credit risk strategy also defines a classification scheme for customers and loans to be used in Evli. Credit risks are monitored by the Group Risk Management Unit, which reports them to the Executive Group, to Credalco and to the company's Board of Directors. Credit risks occur primarily through lending, the Treasury unit's investment operations and counterparty risk in derivative operations.

The external credit exposure of Evli's banking operations was EUR 56 million at the end of the year (EUR 57 million at the end of 2014). Loans to corporate customers accounted for 10 (6%) percent of this. The bank did not have any unarranged receivables at the end of the financial year. Credalco is authorized to make credit decisions within the limits set by the Board of Directors. Lending is focused on asset management clients with collateral for security.

As the Treasury invests primarily in banks and credit institutions with high credit ratings (at least A-) and bonds issued by governments and other public sector issuers, the credit risks of its investment portfolio are moderate. The investments in credit institutions are focused in credit institutions that operate in the Nordic countries. Limits on investment operations are set taking into account the issuer's credit rating and geographical location, for example.

Brokerage-related credit risks were minor during the year under review. The counterparty risk in derivative operations is managed with daily collateral requirements and collateral management for both OTC and standardized contracts. Evli monitors the size of its clients' derivative positions, and limits the size of individual clients' derivative positions if necessary. All clients engaging in OTC derivative operations must be approved by Evli's risk committee. The risks of share brokerage settlement operations were minor during the year under review. The amount of matured sales receivables is small, and is monitored using specific guidelines.

In 2015, credit risks accounted for 54 percent of Evli's total risk-based capital requirement (57% in 2014). The capital requirement primarily consists of the risks related to lending, the Treasury's investments and strategic investments. In 2015, credit risks outside the balance sheet accounted for approximately 8 percent of the overall credit risk.

Leverage Ratio

The Leverage Ratio reflects the ratio of tier 1 capital to total liabilities. The total liabilities includes the exposure values of all assets and the amount of off-balance sheet items, which have not been subject to decreases when defining the amount of own funds. Off-balance sheet items are included in the calculation according to the credit counter-value ratio and derivatives according to the exposure value. The Evli Group's Leverage Ratio was 9.0 percent on December 31, 2015.

Operational risks

Operational risks refer to the direct or indirect risk of financial loss caused by shortfalls or failures in internal processes, systems, personnel or external factors. Legal, compliance and information security risks are also considered to be operational risks. Operational risks therefore relate to factors such as the company's management system, operating processes, information systems, personnel and various external factors or threats. Each unit is responsible for managing its own operational risks.

Evli continuously pays particular attention to the identification, monitoring and management of its operational risks. Each business unit conducts regular self-evaluations of the operational risks related to its products, services, personnel, operating processes and systems. Evli has prepared specific, corporation-wide guidelines for the identification, assessment, monitoring and reporting of operational risks.

Operational risks increase the minimum capital requirements in the capital adequacy calculation. Evli applies the "Basic Indicator Approach" to capital adequacy, in which the capital requirement for operational risk is based on the average gross income of the preceding three years multiplied by a factor (0.15) set by the Basel Committee. Using this approach, the capital requirement for operational risk amounted to approximately EUR 8.8 million at the end of 2015. However, the capital requirement for operational risk calculated by Evli's own internal capital adequacy management process was smaller.

Processes

Business processes are developed due to changes in the Group's business. Evli's key processes are documented in process descriptions that can be used as tools in employee orientation and systems development. As these processes change, the guidelines are updated to reflect the new approaches. Processes and working instructions are reviewed and updated regularly. The responsibility for making the descriptions rests with the head of each unit, and compliance is monitored through spot checks by the corporate Internal Audit. Job descriptions and divisions of labor and responsibilities must be so clearly defined in writing that the party responsible for reconciliations, verifications and approvals is easily identifiable.

Legal risks

Rapid changes in legislation and legal practice create challenges for the introduction of different guidelines and regulations. Implementing the changes often takes a lot of time and effort. The primary responsibility for compliance with specific laws and governmental regulations applicable to the different Evli companies always rests with the line management in charge of the function in question. Evli's Board of Directors has appointed a Compliance Officer, and the Executive Group has designated a Compliance Steering Committee whose members represent the various business functions.

Information risk

Evli's operations are based to a large extent on the utilization of information technology and telecommunications. One of the key objectives of all Evli functions is the efficient, error- free and secure processing of information in a variety of formats. Evli handles and stores large amounts of information that is designated as confidential under applicable law, guidelines or contracts or otherwise requires special security arrangements. The confidentiality, accuracy and usability of such information must be protected at all times. In order to manage information risk, it is necessary to ensure that information systems function properly and reliably and to pay particular attention to the accuracy of information updated in databases and to the management of access rights.

Information asset owners are primarily responsible for protection of the information assets at Evli (authenticity, availability and confidentiality). The system administrator is the person who takes care of the technical maintenance tasks required for the system. Evli's Information Management is responsible for organizing the maintenance of Evli's systems. Technical maintenance is planned and executed in collaboration with the information system owner and the application administrator. For this reason, a specific "Information Security Policy" that addresses information security and related procedures has been prepared for the management of operational risks related to information systems and information security.

No financial losses were sustained in 2015 as a result of misuse of information systems or disturbances affecting them. In addition to arranging normal asset protection, Evli has comprehensive insurance coverage for liability and criminal losses.

Continuity management

Evli's operations may be threatened by external or internal crises of a physical or other nature. In crisis situations, an organization must:

- be prepared for crisis situations
- have crisis management capability
- have prepared by means of drills.

To ensure operational continuity, each function has a continuity plan. The purpose of continuity planning is to ensure that, in the event of certain threats materializing, it is possible to ensure the safety of Evli's customers and employees, to protect tangible and intangible property, to comply with the law and other regulations, to maintain the targeted level of customer service and internal operations and to preserve the trust of stakeholders.

Each continuity plan will include system recovery plans, including guidelines on how to get information systems into operating condition in situations of severe failure, how to continue operations and how to return operations to normal.

Evli has compiled a Recovery Plan that complies with official requirements. The law states that each bank must have a Recovery Plan that describes the measures that will ensure the continuation of operations if the bank's financial position weakens.

The coordination of continuity planning is the responsibility of the Group Risk Management Unit.

New products and services

The safe introduction of new products and services requires that, prior to making the final decision on introduction, assurance has been obtained that all units participating in the delivery of the product know their respective duties and that they have made the function in question aware of any operational and other risks involved in launching it on the market. The indirect effects of risks on the whole Group need to be assessed with particular care. Specific guidelines are in use in the Evli Group concerning the approval and introduction of new products and services.

Outsourcing of operations

The delegation of business operations to agents or other outsourcing of operations does not relieve Evli of its responsibilities or obligations. Evli has adopted guidelines regarding the principles that must be complied with when Evli's business operations are delegated outside the Group. These guidelines ensure that the management and monitoring of operational risks relating to the outsourced functions is arranged in the manner required by the Financial Supervisory Authority.

Reporting

The Group Risk Management Unit is responsible for corporate-wide risk reporting, which consists of both numerical and written reports. The Group Risk Management reports include at least the following:

1. Daily report to the Executive Group on the utilization of corporate limits and any observations arising from risk monitoring
2. Monthly numerical and verbal risk management report and summary of customer exposure and limit utilization to Credalco
3. Monthly report to the Board of Directors and the Executive Group
4. Annual operational risk assessment report to the Executive Group and the Board of Directors.

In addition, the Compliance function and the internal audit report regularly on risk management matters to the top management.

Managing capital adequacy

An essential element of the Basel II capital adequacy regulations is compliance with the principles of pillar 2. Pillar 2 considers the risks included in the measurement of minimum capital requirements and all their dimensions and the residual risks outside this measurement. The capital adequacy regulation is based on the principle that the quantity, quality and allocation of the bank's own assets must be continuously sufficient to cover the material risks applying to the supervised party. It is not possible, however, to use capital to replace deficiencies in the qualitative aspects of risk bearing capacity. Broadly speaking, risk bearing capacity includes not only capital and profitability, but also reliable management, well-organized internal control and risk management. Evli's Internal Capital Adequacy Assessment Process (ICAAP) has been developed in line with the requirements of Basel III.

Evli Bank's Board of Directors has set a target of maintaining at least a 13 percent BIS capital adequacy. This target is monitored by means of the Group Risk Management Unit's monthly reports to the Board of Directors, the Executive Group and Credalco. Evli's internal capital adequacy management calculations are updated as deemed necessary by the management. However, this updating takes place at least once a year as part of strategic planning during the budgetary process.

CAPITAL ADEQUACY OF THE GROUP

	1.1.2015–31.12.2015	1.1.2014–31.12.2014	1.1.2013–31.12.2013	1.1.2012–31.12.2012	1.1.2011–31.12.2011
Own funds, € million	**52.4**	39.3	35.0	34.9	33.1
Risk-weighted receivables, investments and off-balance sheet obligations for credit- and market risk, € million	**162.9**	157.5	152.8	137.4	130.5
Own funds to cover operational risk, € million	**8.8**	8.1	7.9	8.2	7.8
Capital adequacy ratio, %	**19.2**	15.2	13.9	14.6	14.5
Evli Bank Plc's capital adequacy ratio, %	**24.0**	18.7	18.4	18.7	19.3
Own funds surplus, M€	**30.6**	18.7	14.9	15.7	14.8
Own funds in relation to the minimum capital requirement	**2.4**	1.9	1.7	1.8	1.8

The profit for the financial year is included in the own funds, based on a permission from the Financial Supervisory Authority to include the annual profit in Tier 1 capital. The permission was received 18.12.2015.

Own funds	**2015**	2014
Own funds include share capital, funds and profits for the year. These items are not subject to special terms.		
Total tier 1 capital, € million:		
Share capital	**30.2**	30.2
Funds total	**38.8**	20.8
Minority interest	**0.0**	0.0
Decreases:		
Intangible assets	**9.3**	7.2
Other decreases	**7.3**	4.5
Total tier 1 capital	**52.4**	39.3
Evli Bank has no tier 2 capital.		

Capital adequacy management and minimum own funds See section 'Capital adequacy management'.	Min. requirement	Risk-weighted value	Exposure value
Minimum capital adequacy requirement by exposure group, standard method for credit risk, M€			
Claims from the state and central banks	**0.0**	**0.0**	**128.8**
Claims from regional governments and local authorities	**0.0**	**0.0**	**91.5**
Claims from credit institutions and investment firms	**3.9**	**48.9**	**222.1**
Investments in mutual funds	**0.1**	**0.8**	**0.8**
Claims secured with property	**0.2**	**2.2**	**6.4**
Claims from corporate customers	**0.8**	**9.9**	**11.4**
Items with high risk, as defined by the authorities	**0.3**	**4.4**	**2.9**
Matured receivables	**0.0**	**0.0**	**0.0**
Other items	**6.4**	**80.6**	**82.4**
Total	**11.7**	**146.8**	**546.3**
Minimum amount of own funds, market risk, € million	**1.3**	**16.1**	
Risk-weighted receivables, investments and off-balance sheet obligations, total	**13.0**	**162.9**	
Minimum amount of own funds, operational risk, € million	**8.8**	**110.2**	
Total	**21.8**	**273.0**	

General information on credit and dilution risk

Loans are entered as non-performing if payment of interest or instalments is overdue by at least 90 days.

No value impairments concerning loans were made during the year, and there were no non-performing loans at year-end. The goal of the lending is to support customer relations and the Bank's main businesses, and also the risk corrected income from lending has to be sufficient.

Lending is focused on asset management customers, domestic private customer's share of the loan stock was 83%, and foreign private customer's share was 6%.

The Treasury unit's investments are focused at European bank bonds, whose credit rating is at minimum A-, and short term investments like certificate of deposits and local government notes. In the capital adequacy calculations, 55% of the investments had a risk weight of 0%, 43% a risk weight of 20% and 2% had a risk weight of 100%.

Credit risk (standard method)

The credit rating institutions used in the standard method are Standard & Poor's and Moody's.

Techniques to reduce credit risk

The valuation of collateral uses risk committee-approved collateral factors that are based on the collateral's realizability and susceptibility to changes in value. The goal is to receive liquid collateral, which can also be used in the capital adequacy calculations. The Group's risk committee decides the maximum amount of illiquid collateral which can be accepted per customer. Only in certain special cases, can the Bank deviate from the normal process for accepting collateral

Principal real collateral types used in capital adequacy calculation:

Residential property collateral
Cash deposits
Bonds issued by Evli

Exposures hedged with approved collateral in capital adequacy calculation, € million	2015	2014
Mortgages	6.4	9.9
Other credits	3.0	3.3
Counterparty exposure of OTC derivatives	14.8	30.4
Credit risk (counterparty risk), € million		
Positive fair value of OTC derivatives in the financial statement	19.5	31.2
The derivatives comprise equity, currency and fixed income derivatives		
Collateral reducing counterparty risk in capital adequacy calculations	14.8	30.4
After the collateral-reducing effect the credit counter-value of derivatives totaled	31.5	21.8
Market risk		
Minimun capital adequacy requirement, trading book, € million:		
Position risk	1.0	0.7
Minimun capital adequacy requirement for the currency risk of all operations	0.3	0.2
Total	1.3	0.9

The delta corrected equity risk for the trading book was at year end EUR -0.04 million, and the interest market risk EUR 1.7 million.
The largest net currency positions for the Group were 31.12. USD (EUR -1.0 million), GBP (EUR 1.6 million) and SEK (EUR 1.3 million).

Operational risk

The method applied in the capital adequacy calculations is the basic method, which is based on the Group's revenues for the previous three years.

Shares outside the trading bookt

Shares and participations in the banking book are measured at fair value through profit or loss and as avalaible-for sale investments.
The value of the investments in the financial statements was EUR 23.4 million, which is the fair value of the investments.
The listed shares are related to the equity incentive schemes, the shares don't affect the market risk of the bank.

Investment types, € million		
Private equity funds	2.9	2.7
Real estate funds	3.1	3.3
Unlisted shares	0.8	0.3
Mutual funds	0.7	0.5
Listed shares	15.8	6.8
Total	23.4	13.6

Private equity funds, real estate funds and mutual funds have been valued by applying the last known fair value from the funds' management companies.
The fair value of unlisted shares is estimated primarily by using the share's net asset value or a cah flow analysis based on future outlooks. If no better estimate of the fair value is available, the acquisition price can be used as the fair value.
During the year, a profit of EUR 0.01 million has been realized from the investments.

Companies included in the Consolidated Accounts

Evli Bank Plc, Helsinki (parent company)
- Evli Life Ltd, Helsinki (100%)
- Evli Fund Management Company Ltd, Helsinki (100%)
- Evli Alexander Management Oy, Helsinki (45%)*
- Evli Russia Ltd (100%)
  - OOO Evli St. Petersburg, St.Petersburg (100%)
  - OOO Evli Moscow, Moscow (100%)
- Evli Corporate Finance AB, Stockholm (75%)
- Aurator Varainhoito Ltd, Helsinki (91%)
- Terra Nova Capital Advisors Ltd, Dubai (58%)
- Evli Securities AS, Tallinn (100%)
- Evli Alternative Investments Ltd, Helsinki (100%) was founded on January 16, 2015
- EAI Residential Partners Ltd, Helsinki (78%) was founded on May 8, 2015
- Head Asset Management Ltd, Helsinki (91%) was acquired on October 19, 2015
- Evli Options Ltd, Helsinki (100%) was merged with Evli Bank Plc on October 31, 2014
- Evli Fonder AB, Stockholm (100%) was dissolved on September 3, 2014
- EPI Russia Partners II Oy, Helsinki (100%) was dissolved on July 21, 2014

Associated companies
- Northern Horizon Capital A/S, Copenhagen (50%)**
- Baltic SME Management B.V., Amsterdam (33.3%)
- BIF Management Ltd, Jersey (10%)

The Group's parent company is Evli Bank Plc, domiciled in Helsinki.
The consolidated accounts are available on the Internet at www.evli.com
or at the address Aleksanterinkatu 19 A, P.O. Box 1081, FI-00101 Helsinki, Finland

All subsidiaries and branch offices are included in the consolidated accounts.
The pooling method has not been used in the consolidation of subsidiaries.
All subsidiaries included in the consolidated accounts have the same financial year.
* The company is Evli's associated company: according to the shareholders' agreeement Evli is the controlling company.
** The company is Evli's associated company: according to the shareholders' agreement Evli is not the controlling company. Associates are consolidated by using equity method.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

1 000 EUROS		2015	2014
1.	**INTEREST INCOME**		
	At fair value through profit or loss		
	Debt securities	**833**	1 019
	Interest income from other loans and claims		
	Claims on credit institutions	**557**	798
	Claims on the public and public sector entities	**965**	1 008
	Other interest income	**243**	6
	Interest income, total	**2 598**	2 831
	Fixed income returns do not include returns from financial assets that have been impaired.		
2.	**INTEREST EXPENSES**		
	At fair value through profit or loss		
	Derivative contracts and trading liabilities	**-6**	-8
	Interest expenses from other borrowing		
	Liabilities to the public, public sector entities and credit institutions	**-492**	-531
	Debt securities issued to the public	**-679**	-1 258
	Other interest expenses	**-16**	2
	Interest expenses, total	**-1 192**	-1 794
3.	**INCOME FROM EQUITY INVESTMENTS**		
	Dividends from financial assets valued at fair value	**334**	1 008
	Dividends from associated companies	**0**	-1
	Income from equity investments, total	**334**	1 007
4.	**COMMISSION INCOME**		
	Credit related fees and commissions	**25**	47
	Income from payment transactions	**51**	24
	Insurance brokerage	**405**	469
	Advisory services	**8 219**	10 526
	Securities brokerage	**11 739**	10 173
	Mutual funds	**26 663**	24 415
	Asset management	**7 849**	5 841
	Custody services	**3 862**	3 269
	Other operations	**175**	144
	Commission income, total	**58 986**	54 908
5.	**COMMISSION EXPENSES**		
	Trading fees paid to stock exchanges	**-543**	-763
	Other	**-1 227**	-1 031
	Commission expenses, total	**-1 770**	-1 795
6.	**NET INCOME FROM SECURITIES TRANSACTIONS AND FOREIGN EXCHANGE DEALING**		
	Net income from securities transactions		
	Financial assets held for trading	**4 297**	1 870
	Financial assets at fair value through profit or loss	**-193**	566
	Net income from securities transactions, total	**4 105**	2 435

1 000 EUROS				2015	2014
	Net income from securities transactions by instrument	Gains and losses on sales	Changes in fair value	Total	Total
	Debt securities	715	-416	299	833
	Shares and derivative contracts	3 485	321	3 806	1 602
	Net income from securities transactions, total	4 199	-95	4 105	2 435
	Net income from foreign exchange operations			952	1 777
	Net income from securities transactions and foreign exchange operations, total			5 057	4 212
7.	**OTHER OPERATING INCOME**			2015	2014
	Rental income			191	328
	Gain on sale of owner-occupied investment properties			-1	2
	Other income			45	35
	Other operating income, total			236	366
			2015		2014
8.	**EMPLOYEE BENEFITS**				
	Wages and salaries		-21 550		-20 769
	- of which bonuses	-3 123		-3 118	
	Other social security costs		-1 612		-1 613
	-of which relating to bonuses	-170		-74	
	Pension expenses		-4 318		-4 228
	- of which relating to bonuses	-539		-586	
	-defined contribution plans	-4 318		-4 228	
	Equity-settled share options		0		-73
	Employee benefits, total		-27 479		-26 683
				2015	2014
	Number of personnel during the period, average			239	251
	Number of personnel at the end of the period			248	242
	Employees by business segment at the end of the period				
	Markets			27	38
	Corporate finance			22	28
	Asset management			108	86
	Administration and other			91	90
	Total			248	242
	Employees by geographic market at the end of the period				
	Finland			223	209
	Sweden			17	16
	Russia			6	14
	United Arab Emirates			2	0
	Estonia			0	2
	Lithuania			0	1
	Total			248	242

1 000 EUROS

Remuneration

2015	**Markets**	**Corporate Finance**	**Wealth Management**	**Group Operations**
Variable remuneration paid in cash				
Wages and salaries	**440**	**278**	**1 741**	**403**
Other social security costs	**24**	**15**	**93**	**22**
Pension costs	**79**	**50**	**313**	**73**
Postponed remuneration	**8**	**12**	**158**	**11**
Number of recipients	**22**	**7**	**60**	**63**

2014	Markets	Corporate Finance	Wealth Management	Group Operations
Variable remuneration paid in cash				
Wages and salaries	400	6	1 443	293
Other social security costs	21	0	89	15
Pension costs	71	1	247	52
Postponed remuneration	0	0	0	0
Number of recipients	18	1	62	40

2015	**Top management**	**Risk takers**
Variable remuneration paid in cash		
Wages and salaries	**300**	**1 172**
Other social security costs	**16**	**63**
Pension costs	**54**	**211**
Postponed remuneration		
Number of recipients	**7**	**22**

2014	Top management	Risk takers
Variable remuneration paid in cash		
Wages and salaries	273	261
Other social security costs	14	14
Pension costs	49	46
Postponed remuneration	0	0
Number of recipients	8	13

At the end of an employment relationship, the company pays compensation in accordance with valid legislation and the applicable legislation and the applicable collective agreement. The company did not pay sign-on payments to new employees during the financial year.

9. OTHER ADMINISTRATIVE EXPENSES	**2015**	2014
Office maintenance expenses	**-537**	-558
Office expenses	**-1 525**	-1 444
Telephone and postage expenses	**-432**	-380
Information expenses	**-3 527**	-2 735
IT related expenses	**-3 585**	-3 812
Business expenses	**-692**	-507
Travel expenses	**-793**	-752
Car costs	**-118**	-113
Other human resources related expenses	**-856**	-586
Marketing expenses	**-1 843**	-1 317
Banking and custodian expenses	**-618**	-623
External services fees	**-1 258**	-1 180
Other administrative expenses, total	**-15 785**	-14 007

	1 000 EUROS	2015	2014
10.	**DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES**		
	Depreciation and amortization		
	Applications and software	-1 607	-1 774
	Other intangible assets	-1 028	-1 133
	Leasehold improvements	-131	-131
	Assets acquired under finance leases	-147	-166
	Equipment and furniture	-325	-479
	Write-downs		
	Impairment losses of goodwill	-705	-1 606
	Depreciation, amortization and impaiment losses, total	-3 944	-5 290
11.	**OTHER OPERATING EXPENSES**		
	Supervision expenses	-156	-519
	Rental expenses	-3 276	-3 272
	Loss on sale of owned properties, plant and equipment	0	-3
	Other expenses	-346	-186
	Other operating expenses, total	-3 779	-3 980
12.	**IMPAIRMENT LOSSES ON LOANS AND OTHER COMMITMENTS AND OTHER FINANCIAL ASSETS**		
	Claims on the public and public sector entities		
	Impairment losses	0	0
	Other financial impairment losses	0	-12
	Impairment losses, total	0	-12
13.	**Income taxes**		
	Current tax expense	-2 857	-2 427
	Taxes from previous years	-99	-53
	Deferred taxes	-60	124
	Other taxes	0	0
	Income taxes, total	-3 017	-2 355
	Reconciliation between the income tax expense recognized in the income statement and the taxes calculated using the parent company's domestic tax rate:		
	Profit/loss before taxes, Finland	14 299	7 927
	Profit/loss before taxes, other countries	1 066	2 103
	Profit/loss before taxes, total	15 366	10 030
	Tax at domestic tax rate	3 073	2 006
	Effect of foreign subsidiaries' differing tax rates	-67	-42
	Tax at source paid abroad	0	-25
	Income not subject to tax	-159	-2
	Expenses not deductible for tax purposes	257	101
	Taxes from previous years	99	53
	Change in other deferred tax assets	-60	264
	Unrecognised tax assets on previous years' losses	-126	0
	Other taxes	0	0
	Income tax charge in the consolidated income statement	3 017	2 355

NOTES TO THE CONSOLIDATED BALANCE SHEET

1 000 EUROS				2015	2014
14.	CLAIMS ON CREDIT INSTITUTIONS				
	Repayable on demand				
	Domestic credit institutions			70 319	54 679
	Foreign credit institutions			6 718	4 904
	Repayable on demand, total			77 037	59 583
	Other than repayable on demand				
	Domestic credit institutions			2 576	23 181
	Foreign credit institutions			39 783	26 113
	Other than repayable on demand, total			42 359	49 294
	Claims on credit institutions, total			119 396	108 877
15.	CLAIMS ON THE PUBLIC AND PUBLIC SECTOR ENTITIES BY SECTOR				
	Other than repayable on demand				
	Enterprises and housing associations			5 093	2 550
	Households			46 714	49 626
	Foreign countries			4 235	4 768
	Other than repayable on demand, total			56 042	56 944
	Claims on the public and public sector entities by sector, total			56 042	56 944
16.	DEBT SECURITIES				
	Public corporations	Publicly quoted	Other	Total	Total
	Local government notes		91 507	91 507	0
	Issued by public corporations, total	0	91 507	91 507	0
	Issued by other than public corporations				
	Valued at fair value				
	Banks' certificates of deposit	0	0	0	1 983
	Bonds issued by banks	54 906	16 038	70 944	101 267
	Other debt securities	8 871	105	8 976	3 711
	Issued by other than public corporations, total	63 777	16 143	79 920	106 961
	Debt securities, total			171 426	106 961
	Debt securities by balance sheet category				
	Debt securities eligible for refinancing with central banks				
	On public sector entities			0	0
	Other			38 461	74 192
	Debt securities				
	On public sector entities			91 507	0
	Other			41 458	32 769
	Total			171 426	106 961

1 000 EUROS			2015	2014
	Debt securities by country			
	Finland		**122 685**	18 718
	Australia		**14 435**	18 055
	Sweden		**13 129**	14 559
	Canada		**13 003**	8 029
	Holland		**6 008**	23 563
	France		**2 168**	3 004
	United States		**0**	13 006
	Switzerland		**0**	8 018
	Luxembourg		**0**	8
17.	**SHARES AND PARTICIPATIONS**			
				2015
		Publicly quoted	**Other**	**Total**
	Shares and participations			
	Available for sale	**0**	**0**	**0**
	Valued at fair value throuh profit or loss			
	Held for trading	**14 461**	**147**	**14 608**
	Other	**16 533**	**6 817**	**23 350**
	Shares and participations, total	**30 994**	**6 965**	**37 959**
				2014
	Fair valued through profit or loss	Publicly quoted	Other	Total
	Shares and participations			
	Available for sale	0	0	0
	Valued at fair value throuh profit or loss			
	Held for trading	22 060	82	22 142
	Other	7 256	6 332	13 588
	Shares and participations, total	29 316	6 415	35 730
	Net risk position is described in the section Risk Management (Market risks).			
18.	**SHARES AND PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES**			
	At the beginning of the period		**3 514**	3 561
	Share of profit/loss		**2 104**	379
	Disposals		**-600**	-426
	At the end of the period		**5 018**	3 514

Shares and participations in associates contain the fair value of the indirectly owned funds by the companies.
The Evli Group has combined the earnings of associates, taking uncertainty factors into account in accordance with the Group's accounting principles.

Holdings in consolidated associated companies			
Company	**Northern Horizon Capital A/S**	**BIF Management Ltd**	**Baltic SME Management B.V**
Domicile	**Denmark**	**Jersey**	**Netherlands**
Assets	**10 774**	**0**	**1**
Liabilities	**3 227**	**0**	**8**
Revenue	**13 445**	**0**	**0**
Profit/Loss	**2 656**	**-3**	**-1**
Ownership (%)	**50**	**10**	**33.33**

1 000 EUROS

19. DERIVATIVE CONTRACTS

Overall effect of risks associated with derivative contracts

Nominal value of underlying , brutto

	Remaining maturity				2015	2015
Held for trading	**Less than 1 year**	**1–5 years**	**5–15 years**	**Fair value (+/-)**	**ASSETS**	**LIABILITIES**
Interest rate derivatives						
Interest rate swaps	**0**	**7 394**	**2 870**	**0**	**0**	**0**
Currency-linked derivatives	**2 306 309**	**0**	**0**	**270**	**17 676**	**17 406**
Equity-linked derivatives						
Futures	**6 179**	**0**	**0**	**305**	**385**	**80**
Options bought	**26 441**	**27 349**	**2 750**	**2 259**	**2 394**	**135**
Options sold	**45 890**	**27 430**	**2 750**	**-3 810**	**1 148**	**4 958**
Other derivatives						
Held for trading, total	**2 384 820**	**62 173**	**8 370**	**-976**	**21 603**	**22 579**
Derivative contracts, total	**2 384 820**	**62 173**	**8 370**	**-976**	**21 603**	**22 579**

Overall effect of risks associated with derivative contracts

					2014	2014
Held for trading						
Interest rate derivatives						
Interest rate swaps	0	3 184	2 870	0	0	0
Currency-linked derivatives	1 767 795	0	0	141	24 988	24 847
Equity-linked derivatives						
Futures	15 563	0	0	642	764	122
Bought	27 805	17 400	0	5 825	5 891	66
Sold	69 313	17 400	0	-7 272	392	7 665
Other derivatives						
Held for trading, total	1 880 476	37 984	2 870	-665	32 035	32 700
Derivative contracts, total	1 880 476	37 984	2 870	-665	32 035	32 700

Equity derivatives held for trading, and other liabilities held for trading (notes 19 and 28) hedge the equity delta risk for shares and participations in the trading book (note 17). The delta-adjusted equity risk was at the end of 2015 7.4 million euros, including shares and participations in the banking book.

Equity derivatives in the banking book hedge the equity risk in equity-linked bonds issued to the public.

The interest rate derivatives hedge the interest rate risk in assets and liabilities in the balance sheet.

Currency derivatives comprise commitments made against clients and the associated hedges, and contracts made to hedge currency risk in the balance sheet.
The net open risk position of the total amount is small. The largest part of the contracts are in SEK (EUR 1 124 million), and in GBP (EUR 679 million).

1 000 EUROS		2015	2014
20.	**INTANGIBLE ASSETS AND GOODWILL**		
	Goodwill		
	Cost at 1.1.	**4 663**	4 663
	Increases	**3 482**	0
	Decreases	**-2 262**	0
	Cost at 31.12.	**5 883**	4 663
	Accumulated impairment losses at 1.1.	**-2 087**	-481
	Decreases	**-705**	-1 606
	Accumulated impairment losses at 31.12	**-2 793**	-2 087
	Book value at 31.12.	**3 090**	2 576
	Software or projects in progress		
	Cost at 1.1.	**38**	0
	Increases	**906**	38
	Cost at 31.12.	**944**	38
	Book value at 31.12.	**944**	38
	Applications and software		
	Cost at 1.1.	**19 462**	19 080
	Exchange difference	**0**	-4
	Increases	**624**	498
	Decreases	**0**	-111
	Cost at 31.12.	**20 086**	19 462
	Accumulated amortisation and impairment losses at 1.1.	**-16 651**	-14 992
	Exchange difference	**0**	4
	Amortisation for the period	**-1 607**	-1 774
	Accumulated amortisation in respect of decreases	**0**	111
	Accumulated amortisation and impairment losses at 31.12.	**-18 258**	-16 651
	Book value at 31.12.	**1 828**	2 811
	Other intangible assets		
	Cost at 1.1.	**6 827**	6 951
	Increases	**3 016**	70
	Decreases	**-191**	-195
	Cost at 31.12.	**9 651**	6 827
	Accumulated amortisation and impairment losses at 1.1.	**-4 654**	-3 716
	Amortisation for the period	**-1 028**	-1 133
	Accumulated depreciation in respect of decreases	**140**	195
	Accumulated amortisation and impairment losses at 31.12.	**-5 542**	-4 654
	Book value at 31.12.	**4 109**	2 172
	The most significant "Other intangible assets" are client relationships with a remaining depreciation period of 5 years.		
	Intangible assets, total at 31.12.	**9 971**	7 598
	Book value of intangible assets at 31.12.	**9 971**	7 598

The Group's goodwill was allocated to the subsidiaries Evli Alexander Management Ltd, Evli Russia Ltd, Evli Securities AS, Head Asset Management Ltd and Evli Alternative Investments Ltd. Evli has made a EUR 1.6 million impairment in 2014 and EUR 0.3 million impairment in 2015 to the goodwill in its balance sheet. Those impairments were mainly attributable to the weakened market conditions in Russia. During the period under review Evli concentrated the services it provides to asset management clients in the Baltic countries in Helsinki and closed down the operational activities of Evli's subsidiary. Because of this the goodwill of EUR 0,4 million is written down. The goodwill testing process is described in detail in the notes to the consolidated financial statements.

	1 000 EUROS	2015	2014
21.	**PROPERTY, PLANT AND EQUIPMENT**		
	Equipment and furniture		
	Cost at 1.1.	**6 519**	7 260
	Exchange difference	**-7**	-94
	Increases	**54**	62
	Decreases	**-30**	-709
	Cost at 31.12.	**6 537**	6 519
	Accumulated depreciation at 1.1.	**-5 906**	-6 234
	Exchange difference	**8**	81
	Depreciation for the period	**-325**	-479
	Translation difference from depreciation for the period	**-3**	1
	Accumulated depreciation in respect of decreases	**85**	724
	Accumulated depreciation 31.12.	**-6 141**	-5 906
	Book value at 31.12.	**396**	613
	Assets acquired under finance leases		
	Cost at 1.1.	**2 847**	2 759
	Increases	**92**	88
	Cost at 31.12.	**2 940**	2 847
	Accumulated depreciation at 1.1.	**-2 655**	-2 489
	Depreciation for the period	**-147**	-166
	Accumulated depreciation at 31.12.	**-2 803**	-2 655
	Book value at 31.12.	**137**	192
	Property, plant, and equipment, total 31.12.	**533**	805
	Leasehold improvements		
	Cost at 1.1.	**1 401**	1 429
	Decreases	**0**	-28
	Cost at 31.12.	**1 401**	1 401
	Accumulated depreciation at 1.1.	**-470**	-367
	Depreciation for the period	**-131**	-131
	Accumulated depreciation in respect of decreases	**0**	28
	Accumulated depreciation at 31.12.	**-601**	-470
	Book value at 31.12.	**800**	931
	Other tangible assets		
	Cost at 1.1.	**601**	589
	Increases	**0**	12
	Cost at 31.12.	**601**	601
	Book value at 31.12.	**601**	601
	Property, plant and equipment, total at 31.12.	**1 934**	2 337
	Book value of tangible assets at 31.12.	**1 934**	2 337

1 000 EUROS		2015	2014
22.	**OTHER ASSETS**		
	Securities sale receivables	**1 223**	290
	Commission receivables	**9 929**	7 584
	Securities broking receivables	**66 105**	20 669
	Other receivables	**414**	2
	Other assets total	**77 671**	28 581
23.	**ACCRUED INCOME AND PREPAYMENTS**		
	Interest	**418**	228
	Taxes	**101**	45
	Staff-related	**41**	513
	Other items	**2 395**	2 074
	Accrued income and prepayments total	**2 954**	2 860
24.	**DEFERRED TAXES**		
	Tax assets		
	Due to timing differences	**266**	613
	Other temporary differences		
	From tax losses carried forward	**21**	0
	Deferred taxes total	**-381**	208
	Deferred tax assets result from timing differences in fixed asset depreciation.		
25.	**LIABILITIES TO CREDIT INSTITUTIONS AND CENTRAL BANKS**		
	Credit institutions		
	Other than repayable on demand	**5 530**	8 000
	Liabilities to credit institutions and central banks, total	**5 530**	8 000
26.	**LIABILITIES TO THE PUBLIC AND PUBLIC SECTOR ENTITIES**		
	Deposits		
	Repayable on demand	**352 158**	296 702
	Other than repayable on demand	**281**	335
	Other liabilities		
	Repayable on demand	**0**	0
	Other than repayable on demand	**0**	93
	Liabilities to the public and public sector entities, total	**352 439**	297 131
27.	**DEBT SECURITIES ISSUED TO THE PUBLIC**		
	Bonds	**35 722**	33 095
	Debt securities issued to the public, total	**35 722**	33 095
	Changes in bonds issued to the public		
	Issues	**14 959**	15 968
	Repurchases	**12 268**	43 169

1 000 EUROS			2015	2014
28.	**DERIVATIVE CONTRACTS AND OTHER LIABILITIES HELD FOR TRADING**			
	Derivative contracts		**22 579**	32 700
	Due to short selling of shares		**13 889**	8 039
	Derivative contracts and other liabilities held for trading, total		**36 468**	40 739
29.	**BREAKDOWN OF OTHER LIABILITIES**			
	Securities broking liabilities		**75 582**	-345 655
	Securities purchase liabilities		**15 213**	368
	Finance lease payables		**147**	204
	Income tax payable		**64**	71
	Personnel related		**760**	687
	Other short-term liabilities		**20 169**	8 148
	Prepayments of cash customers		**3 505**	10 833
	VAT payable		**617**	571
	Other liabilities, total		**116 058**	43 137
30.	**ACCRUED EXPENSES AND DEFERRED INCOME**			
	Interest		**214**	424
	Tax payables		**923**	995
	Personnel related		**8 107**	7 526
	Other accrued expenses		**5 883**	6 396
	Accrued expenses and deferred income, total		**15 127**	15 341
31.	**DEFERRED TAX LIABILITIES**			
	Due to timing differences		**668**	405
	Deferred tax liability, total		**668**	405
32.	**OWN SHARES HELD BY THE CREDIT INSTITUTION**			
	The company acquired a total of 6250 shares during 2015.			
	The cost of purchase EUR 74 963 has been deducted from unrestricted equity.			
	The company's Board of Directors decided to annul the remaining Evli shares held by the company on September 8, 2015. On December 31, 2015 the company didn't hold any own shares.			
33.	**SHARE CAPITAL, PARENT COMPANY**			
	Evli has two share series: series A and series B, whose rights are determined in the manner specified in the amended Articles of Association. The main difference between the share series concerns the voting rights. The A share confers 20 votes in a General Meeting while a B share confers one vote.			
	Number of A shares	16 971 136 pcs		
	Number of B shares	6 342 784 pcs		
	Total number of shares is	23 313 920 pcs		
	Dividend/Share, €		**0.21**	0.21

1 000 EUROS

34. CHANGES IN THE SHARE CAPITAL, BOARD AUTHORIZATIONS AND OPTION PROGRAMS

	Number of own shares held	Number of outstanding shares	Share capital	Share premium fund	Fund of invested non-restricted equity
1.1.2014	39 325	4 052 184	30 194	1 839	12 738
Aquisition of own shares 2013 authorization	2 000	-2 000	0	0	-53
Aquisition of own shares 2014 authorization	10 150	-10 150	0	0	-121
Nullification of own shares 2014 authorization	-46 350	0	0	0	0
Share issue 2014 authorization	0	51 500	0	0	613
31.12.2014	5 125	4 091 534	30 194	1 839	13 178
Total number of shares		4 096 659			
1.1.2015	**5 125**	**4 091 534**	**30 194**	**1 839**	**13 178**
Aquisition of own shares 2015 authorization	**6 250**	**-6 250**	**0**	**0**	**-75**
Nullification of own shares 2015 authorization	**-11 375**	**0**	**0**	**0**	**0**
Share issue 2014 authorization	**0**	**157 500**	**0**	**0**	**1 623**
Additional return of capital 2015 authorization	**0**	**0**	**0**	**0**	**-4 247**
Share issue 2015 authorization	**0**	**16 971 136**	**0**	**0**	**0**
IPO 2015 authorization	**0**	**2 100 000**	**0**	**0**	**14 175**
Expenses related to IPO 2015 authorization	**0**	**0**	**0**	**0**	**-436**
31.12.2015	**0**	**23 313 920**	**30 194**	**1 839**	**24 218**
Total number of shares		**23 313 920**			**24 218**

Option programs
Evli Bank Plc's total number of shares changed during the second quarter by a total of 157,500 shares. The change in the number of shares resulted from the entry in the Trade Register of new shares subscribed for and paid in full in partial payment share issues arranged in the fall of 2011, and the entry in the Trade Register of new shares subscribed for on the basis of stock options according to the 2014 option program. The new shares were entered in the Trade Register on May 5, 2015.

Share premium fund
The share premium fund comprises the following items: the amount exceeding the counter-book value of the share paid for shares prior to 1 September 2006 in a new issue; the amount paid for a subscription right based on an option right; gain on sale of the company's own shares; and the amount by which the share capital is lowered and which is not used to cover an adopted loss, transferred to a fund to be used in accordance with the decision of the general meeting of the shareholders or distributed to the shareholders.

Fund of invested non-restricted equity
The fund of invested non-restricted equity includes the proceeds from the disposals of own shares received after 1 September 2006.

35. LARGEST SHAREHOLDERS AND SHARE OWNERSHIP BREAKDOWN

	A-share	B-share	Shares total	% of all shares	% of all votes
Oy Prandium Ab (Thomas Thesleff with family)	**3 803 280**	**950 820**	**4 754 100**	**20.39**	**22.27**
Oy Scripo Ab (Henrik Andersin)	**3 803 280**	**950 820**	**4 754 100**	**20.39**	**22.27**
Oy Fincorp Ab (Roger Kempe)	**2 319 780**	**579 945**	**2 899 725**	**12.44**	**13.59**
Ingman Group Oy Ab	**1 860 000**	**500 000**	**2 360 000**	**10.12**	**10.90**
Lehtimäki Maunu	**433 728**	**108 432**	**542 160**	**2.33**	**2.54**
Tallberg Claes	**369 756**	**92 439**	**462 195**	**1.98**	**2.17**
Hollfast John	**328 320**	**82 080**	**410 400**	**1.76**	**1.92**
Thunekov AB	**224 000**	**56 000**	**280 000**	**1.20**	**1.31**
Ridgeback Advisory AB	**210 000**	**52 500**	**262 500**	**1.13**	**1.23**
Dudarev Grigory	**201 540**	**50 385**	**251 925**	**1.08**	**1.18**
	13 553 684	**3 423 421**	**16 977 105**	**72.82**	**79.38**
Others	**3 417 452**	**2 919 363**	**6 336 815**	**27.18**	**20.62**
Total	**16 971 136**	**6 342 784**	**23 313 920**	**100.00**	**100.00**

1 000 EUROS

Breakdown of shareholdings by owner group	Number of shareholders	Number of shares	Number of votes	Proportion of shareholders, %	Proportion of shares, %	Proportion of votes, %
National economy total (domestic sector)						
1. Households	2 417	5 927 656	84 284 416	91.5	25.4	24.4
2. Companies	172	15 723 130	245 339 954	6.5	67.4	71.0
3. Financial and insurance institutions	19	601 486	601 486	0.7	2.6	0.2
4. Non-profit institutions	7	76 936	76 936	0.3	0.3	0.0
Foreigners						
5. European Union	9	32 508	260 508	0.3	0.1	0.1
6. Other countries	18	952 204	15 202 204	0.7	4.1	4.4
Total	2 642	23 313 920	345 765 504	100	100	100

Breakdown of shareholdings by size class	Number of shareholders	Number of shares	Number of votes	Proportion of shareholders, %	Proportion of shares, %	Proportion of votes, %
1. 1–100	395	34 860	34 860	15.0	0.1	0.0
2. 101–500	1 818	299 240	299 240	68.8	1.3	0.1
3. 501–1 000	145	104 564	104 564	5.5	0.4	0.0
4. 1 001–5 000	163	373 070	479 470	6.2	1.6	0.1
5. 5 001–10 000	29	207 145	1 001 345	1.1	0.9	0.3
6. 10 001–50 000	49	1 226 300	10 836 652	1.9	5.3	3.1
7. 50 001–100 000	17	1 225 464	14 432 440	0.6	5.3	4.2
8. 100 001–500 000	21	4 533 192	71 085 556	0.8	19.4	20.6
9. 500 001–	5	15 310 085	247 491 377	0.2	65.7	71.6
Total	2 642	23 313 920	345 765 504	100	100	100

36. MATURITIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES OF CREDIT INSTITUTION

Due to the nature of the business, predicting future cashflows is difficult, especially for derivative contracts. The maturities of derivatives are also provided in note 19, with the nominal value of the underlying instrument as basis, which does not conform to real cash flows. Debt securities, loans and other claims, derivatives and financial liabilities at amortized cost are reported in the maturity class according to the maturity of the instrument. Shares and participations are reported so that quoted shares in the trading book and quoted mutual funds are in the shortest maturity period. Unquoted shares are reported according to the estimated liquidation period, and venture capital- and real estate funds are reported according to the expected ending day of the fund.

2015	Less than 3 months	3–12 months	1–5 years	5–10 years	Over 10 years	Total
Assets						
Cash and cash equivalents	127 986					127 986
Loans and other claims						
Claims on credit institutions	119 396	0	0	0	0	119 396
Claims on the public and public sector entities	2 568	23 547	29 484	443	0	56 042
Financial assets at fair value through profit or loss						
Debt securities eligible for refinancing with central banks	1 000	12 518	24 944	0	0	38 461
Debt securities	91 252	17 520	24 088	105	0	132 965
Shares and participations	31 106	417	4 671	1 764	0	37 958
Derivative contracts	15 901	5 198	504	0	0	21 603
Financial assets available for sale						
Shares and participations	0	0	0	0	0	0
Accrued interest	349	68	0	0	0	418
Debts						
Financial liabilities at amortized cost						
Liabilities to credit institutions	3 530	2 000	0	0	0	5 530
Liabilities to the public and public sector entities	352 252	172	15	0	0	352 439
Debt securities issued to the public	200	4 078	24 725	6 720	0	35 722
Financial liabilities at fair value through profit or loss	30 020	5 920	528	0	0	36 468
Accrued interest	213	1	0	0	0	214
Off-balance sheet commitments	7 903	392	170	0	0	8 465

1 000 EUROS

2014						
Assets						
Cash and cash equivalents	103 998	0	0	0	0	103 998
Loans and other claims						
Claims on credit institutions	108 877	0	0	0	0	108 877
Claims on the public and public sector entities	2 538	15 633	38 272	502	0	56 944
Financial assets at fair value through profit or loss						
Debt securities eligible for refinancing with central banks	0	0	74 192	0	0	74 192
Debt securities	16	1 988	30 177	588	0	32 769
Shares and participations	29 316	204	4 326	1 884	0	35 730
Derivative contracts	23 240	4 389	4 406	0	0	32 035
Financial assets available for sale						
Shares and participations	0	0	0	0	0	0
Accrued interest	22	206	0	0	0	228
Debts						
Financial liabilities at amortized cost						
Liabilities to credit institutions	7 000	1 000	0	0	0	8 000
Liabilities to the public and public sector entities	296 831	241	59	0	0	297 131
Debt securities issued to the public	3 662	888	25 674	2 870	0	33 095
Financial liabilities at fair value through profit or loss	32 132	4 208	4 399	0	0	40 739
Accrued interest	422	3	0	0	0	424
Off-balance sheet commitments	2 989	121	869	186	0	4 164

Commitments outside the balance sheet are presented in Appendix 46.

37. ASSETS AND LIABILITIES DENOMINATED IN DOMESTIC AND FOREIGN CURRENCY

			2015			2014
Balance sheet item	**Domestic**	**Foreign currency**	**Total**	Domestic	Foreign currency	Total
Loans and other claims						
Cash on hand	**127 986**	**0**	**127 986**	103 998	0	103 998
Claims on credit institutions	**113 208**	**6 188**	**119 396**	104 063	4 815	108 877
Claims on the public and public sector entities	**56 042**	**0**	**56 042**	56 944	0	56 944
Financial assets at fair value through profit or loss						
Debt securities	**171 426**	**0**	**171 426**	106 945	16	106 961
Shares and participations	**35 232**	**2 727**	**37 959**	26 611	9 119	35 730
Derivative financial instruments	**21 559**	**44**	**21 603**	31 767	268	32 035
Other assets	**88 806**	**9 029**	**97 835**	40 043	5 459	45 502
Total	**614 260**	**17 987**	**632 247**	470 371	19 677	490 047
Financial liabilities at amortized cost						
Liabilities to credit institutions	**5 530**	**0**	**5 530**	8 000	0	8 000
Liabilities to the public and public sector entities	**312 026**	**40 414**	**352 439**	269 263	27 868	297 131
Debt securities issued to the public	**35 722**	**0**	**35 722**	33 095	0	33 095
Financial assets at fair value through profit or loss						
Derivative contracts and liabilities held for trading	**36 446**	**22**	**36 468**	40 107	632	40 739
Other liabilities	**117 667**	**14 187**	**131 854**	42 204	16 678	58 882
Total	**507 391**	**54 622**	**562 013**	392 669	45 178	437 847

The largest foreign currency assets and liabilities are in SEK (assets EUR 11.4 million, liabilities EUR 25.1 million) and USD (assets EUR 2.6 million, liabilities EUR 26.4 million).

1 000 EUROS

38. VALUE OF FINANCIAL INSTRUMENTS ACROSS THE THREE LEVELS OF THE FAIR VALUE HIERARCHY

	Level 1	Level 2	Level 3	Total
Fair value	2015	2015	2015	
Financial assets:				
Shares and participations classified as held for trading	10 778	0	3 830	14 608
Shares and participations, other	16 533	0	6 818	23 351
Debt securities eligible for refinancing with central banks	38 461	0	0	38 461
Debt securities	14 794	110 754	7 418	132 965
Positive market values from derivatives	2 276	17 676	1 650	21 603
Total financial assets held at fair value	82 842	128 430	19 716	230 988
Financial liabilities:				
Shares and participations classified as held for trading	12 604	0	1 285	13 889
Negative market values from derivatives	3 688	17 406	1 485	22 579
Total financial liabilities held at fair value	16 291	17 406	2 770	36 468
	2014	2014	2014	Total
Financial assets:				
Shares and participations classified as held for trading	20 563	0	1 579	22 142
Shares and participations, other	7 256	0	6 333	13 589
Debt securities	93 142	6 011	7 808	106 961
Positive market values from derivatives	1 339	24 988	5 708	32 035
Total financial assets held at fair value	122 300	30 999	21 427	174 726
Financial liabilities:				
Shares and participations classified as held for trading	6 942	0	1 097	8 039
Negative market values from derivatives	2 667	24 847	5 186	32 700
Total financial liabilities held at fair value	9 609	24 847	6 283	40 739

Explanation of fair value hierarchies:

Level 1
Fair values measured using quoted prices in active markets for identical instruments.

Level 2
Fair values measured using directly or indirectly observable inputs, other than those included in level 1.

Level 3
Fair values measured using inputs that are not based on observable market data.

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

Shares and participations classified in level 3 are usually instruments which are not publicly traded, like venture capital funds and real estate funds.

Derivatives in level 2 or 3 are derivatives whose values are calculated with pricing models widely in use, like Black-Scholes.

Derivative valuations for level 3 instruments contain inputs (volatility and dividend estimate) which are not directly observable in the market.

Debt securities valuations that are obtained from markets that are not fully active, have a fair value level hierarchy of 2. Level 3 valuations for debt securities are valuations received directly from the arranger of the issue.

The fair values of financial instruments are defined in accordance to IFRS 13. In principle, valuation of financial instruments is based on public market quotations. For unquoted financial instruments, Evli Bank's Financial Administration together with Risk Management function evaluate and classify instruments.

1 000 EUROS		2015	2014
39.	**ANALYSIS OF FINANCIAL INSTRUMENTS CATEGORIZED IN LEVEL 3**		
	Financial assets:		
	Shares and participations classified as held for trading	**3 830**	1 579
	Unlisted shares and participations	**770**	265
	Venture capital funds and real estate funds	**6 047**	6 068
	Debt securities	**7 418**	7 808
	Quoted equity derivatives	**0**	0
	OTC equity derivatives	**1 650**	5 708
	Total financial assets held at fair value	**19 716**	21 427
	Financial liabilities:		
	Shares and participations classified as held for trading	**1 285**	1 097
	Quoted equity derivatives	**0**	0
	OTC equity derivatives	**1 485**	5 186
	Total financial liabilities held at fair value	**2 770**	6 283
	Significant changes during the year, considering level 3 categorized instruments:		
	Financial assets	**2015**	
	Shares and participations classified as held for trading 31.12.2014	**1 579**	
	Net purchases and sales	**2 967**	
	Valuation changes	**-715**	
	Shares and participations classified as held for trading 31.12.2015	**3 830**	
	Unlisted shares and participations 31.12.2014	**265**	
	Purchases	**506**	
	Sales	**0**	
	Valuation changes	**0**	
	Unlisted shares and participations 31.12.2015	**770**	
	Venture capital funds and real estate funds31.12.2014	**6 068**	
	Purchases	**8**	
	Sales	**236**	
	Valuation changes	**208**	
	Venture capital funds and real estate funds 31.12.2015	**6 047**	
	Debt securities 31.12.2014	**7 808**	
	Purchases	**113**	
	Sales	**508**	
	Valuation changes	**5**	
	Debt securities 31.12.2015	**7 418**	
	OTC equity derivatives 31.12.2014	**5 708**	
	Net purchases and sales	**-1 279**	
	Valuation changes	**-2 778**	
	OTC equity derivatives 31.12.2015	**1 650**	

	1 000 EUROS	2015	2014
	Financial liabilities		
	Shares and participations classified as held for trading 31.12.2014	1 097	
	Net purchases and sales	0	
	Valuation changes	188	
	Shares and participations classified as held for trading 31.12.2015	1 285	
	OTC equity derivatives 31.12.2014	5 186	
	Net purchases and sales	-913	
	Valuation changes	-2 788	
	OTC equity derivatives 31.12.2015	1 485	

If the volatility estimate in the options pricing model for level 3 categorized options, is changed to a publicly available historical volatility (12 months), the options market value would change by net EUR - 0.04 million. Volatility is the standard deviation or variability of the price of the underlying instrument for a given time period.

40.	**UNREALIZED PROFIT/LOSS FOR FINANCIAL INSTRUMENTS CATEGORIZED IN LEVEL 3**	**Unrealized P/L at year-end 2015**	Unrealized P/L at year-end 2014
	Financial assets:		
	Shares and participations classified as held for trading	-715	-580
	Shares and participations, other	-430	-884
	Debt securities	5	0
	Positive market values from derivatives	-548	2 327
	Unrealized P/L at year-end, financial assets	-1 688	864
	Financial liabilities:		
	Shares and participations classified as held for trading	-131	20
	Negative market values from derivatives	558	-2 272
	Unrealized P/L at year-end, financial liabilities	427	-2 253
	Total unrealized profit (loss), level 3 instruments	-1 261	-1 389

Total unrealized profit is recorded in net income from securities transactions.

41.	**SECURITIES LENDING**	2015	2014
	Market value of securities lending at 31.12., lent in	15 830	29 497
	Market value of securities lending at 31.12., lent out	392	0

1 000 EUROS		2015	2014
42.	**FAIR VALUES AND BOOK VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**	**2015**	**2015**
		Book value	**Fair value**
	Liquid assets	**127 986**	**127 986**
	Debt securities eligible for refinancing with central banks	**38 461**	**38 461**
	Claims on credit institutions	**119 396**	**119 396**
	Claims on the public and public sector entities	**56 042**	**56 042**
	Debt securities	**132 965**	**132 965**
	Shares and participations	**37 959**	**37 959**
	Derivative contracts	**21 603**	**21 603**
	Financial liabilities		
	Liabilities to credit institutions	**5 530**	**5 530**
	Liabilities to the public and public sectory entities	**352 439**	**352 439**
	Debt securities issued to the public	**35 722**	**35 071**
	Derivative contracts and other trading liabilities	**36 468**	**36 468**
	The lending rate is tied to the Euribor rates, and so the carrying amount of loans is not considered to differ significantly from the fair value.		
43.	**ASSETS PLEDGED AS COLLATERAL AND OTHER COMMITMENTS**	**2015**	2014
	Securities	**38 500**	43 000
	Cash deposits	**42 359**	49 294
	Usage of collateral		
	Markeplace collateral, stock- and derivatives trades	**33 545**	19 624
	Collateral for currency trades	**2 607**	19 478
	Collateral for securities lending	**9 206**	18 192
	Bank of Finland, collateral for daily limit account	**35 500**	35 000

1 000 EUROS		2015	2014
44.	**OPERATING LEASES**		
	Not later than one year	**187**	275
	Over year not later than five year	**164**	172
45.	**OTHER RENTAL COMMITMENTS**		
	Rental liabilities up to one year	**2 411**	2 780
	Rental liabilities over one year and less than 5 years	**196**	2 951
	Rental liabilities over 5 years	**0**	0
46.	**BREAKDOWN OF OFF-BALANCE SHEET COMMITMENTS**		
	Commitments given to a third party on behalf of a customer*	**4 963**	5 257
	Irrevocable commitments given in favour of a customer	**562**	555
	Guarantees on behalf of others	**500**	621
	Unused credit facilities, given to clients	**2 441**	2 989
	* Commitments given on behalf of a customer for a third party include collaterals for derivatives positions given on behalf of customers in Nasdaq OMX and New Edge. The customers have covered their collateral to Evli in full. Other irrevocable commitments given on behalf of a customer comprise subscription commitments guaranteed on behalf of customers.		
47.	**ASSET MANAGEMENT SERVICES OFFERED BY THE CREDIT INSTITUTION (MILLION EUROS)**		
	Assets under management at Evli Bank's Asset Management as of 31 December		
	Gross	**10 263**	8 437
	Net	**7 559**	6 327
	Assets under management on the basis of power of attorney		
	Discretionary asset management	**3 926**	3 091
	Consultative asset management	**155**	132
	Total	**4 081**	3 223

1 000 EUROS

48. ACQUIRED BUSINESSES

Changes in corporate structure 2014
Evli Bank Plc's wholly owned subsidiary registered in Sweden, Evli Fonder AB, was dissolved on September 3, 2014.
Evli Bank Plc's wholly owned subsidiary EPI Russia Partners II Oy was dissolved on July 21, 2014.
Evli Options Ltd, a wholly owned subsidiary of Evli Bank Plc, was merged with Evli Bank Plc on October 31, 2014.
Evli Securities AS, a wholly owned Estonian subsidiary of Evli Bank Plc, sold its Lithuanian operations to the Lithuanian company Evernord UAB.

Changes in corporate structure 2015
Evli Bank Plc's wholly owned subsidiary Evli Alternative Investments Ltd was founded on March 9, 2015.
Evli Bank Plc acquired 90,83 percent of share capital and voting rights of Head Asset Management Ltd on October 19, 2015.
The Lithuanian branch of Evli Bank's subsidiary Evli Securities AS was shut down on December 4, 2015.

Evli Bank Plc acquired Head Asset Management Ltd with a contract signed on September 30, 2015.
After the Financial Supervisory Authority's approval, the share transaction was implemented on October 19, 2015. The acquisition is for 90,83 percent of the target company's share capital and voting rights. The acquisition generated EUR 1 200 000 goodwill.

Head Asset Management Oy's profit from 19.10-31.12.2015 includes in Evli Group's figures 2015.	**-1**
	-1
ASSETS	Fair values recognized in merger
Cash and cash equivalents	
Claims on credit institutions	2 598
Intangible assets	
Property, plant and equipment	20
Other assets	111
Accrued income and prepayments	61
TOTAL ASSETS	**2 790**
LIABILITIES AND EQUITY	
LIABILITIES	
Other liabilities	
Accrued expenses and deferred income	50
TOTAL LIABILITIES	50
Net assets	2 740
Acquisition price paid in cash	6 202
Additional transaction price	251
Transaction price allocated into customer contracts	-3 016
Tax liabilities	503
Goodwill	-1 200

1 000 EUROS

49. RELATED PARTY DISCLOSURES

The Group's related parties include the parent company, subsidiaries, and associates. Related parties also include the Group management consisting of the members of the board of directors and the Group's management team, as well as the board members of the subsidiaries.

Subsidiaries and associates	Domicile	In ownership from	In ownership until	Ownership, %	Share of voting rights, %
Evli Fund Management Ltd	Finland			100	100
Evli Life Ltd	Finland			100	100
Evli Alexander Management Ltd	Finland			45	Majority
Eli Russia Ltd	Finland			100	100
OOO Evli St. Petersburg	Russia			100	100
OOO Evli Moscow	Russia			100	100
AS Evli Securities	Estonia			100	100
Aurator Varainhoito Ltd	Finland			91	91
Evli Corporate Finance AB	Sweden			75	75
Terra Nova Capital Ltd	UAE			58	58
Evli Options Ltd	Finland		31/10/14	100	100
EPI Russia Partners II Ltd	Finland		21/07/14	100	100
Evli Fonder AB	Sweden		03/09/14	100	100
Evli Alternative Investments Ltd	Finland	16/01/15		100	100
EAI Residential Partners Ltd	Finland	08/05/15		78	78
Head Asset Management Ltd	Finland	19/10/15		91	91
Minority interest					
Evli Corporate Finance AB	Sweden			25	25
Evli Alexander Management Ltd	Finland			65	Minority
Terra Nova Capital Ltd	UAE			42	42
Associated companies					
Baltic SME Management B.V	Netherlands			33	33
BIF Management Ltd	Jersey			10	33
BPT Asset Management A/S	Denmark			50	45

Evli Bank Plc holds 45 percent of the share capital of Evli Alexander Management Ltd, which confers a majority of votes in the company pursuant to the authorization under the partnership agreement.

Evli Bank Plc holds 50 percent of the share capital of Northern Horizon Capital A/S, which confers 45 percent of the votes in the company as agreed upon in the partnership agreement. Evli Bank Plc does not have control in the company, which is why the associate is not consolidated. The equity method of accounting is used in the consolidation.

The minority interests recognized in the consolidated financial statements are generated from Evli Alexander Management Ltd, Evli Corporate Finance AB and Terra Nova Capital Advisors Ltd.

Company	**Evli Alexander Management Ltd**	**Evli Corporate Finance AB**	**Terra Nova Capital Advisors Ltd**
Domicile	**Finland**	**Sweden**	**Dubai**
Assets	**17 290**	**2 319**	**361**
Liabilities	**16 364**	**1 199**	**6**
Profit/Loss	**726**	**1 104**	**442**

Mutual funds managed on behalf of clients are not consolidated, since the Group has no control over them.

1 000 EUROS				**2015**	2014
50.	**RELATED PARTY DISCLOSURES**				
	The Group's related parties include the parent company, subsidiaries, and associates. Related parties also include the Group management consisting of the members of the board of directors and the Group's management team, as well as the board members of the subsidiaries.				
	Compensation of Board of Directors and CEOs				
	Salaries, CEOs			**-1 498**	-1 650
	Salaries, Deputys to the CEO			**-390**	-377
	Salaries, members of Board of Directors			**-381**	-374
	Salaries, Members of the Executive Group			**-1 697**	-1 465
	The company does not have any defined benefit pension plans.				
	Management renumerations is reported in more detail under 'Compensation'				
	and 'CEO and Executive Group'.				
	Transactions with related parties 2015		**Subsidiaries**	**Associated companies**	**Group management**
	Sales		**9 856**	**0**	**2**
	Purchases		**150**	**0**	**32**
	Receivables		**1 466**	**0**	**90**
	Liabilities		**130**	**0**	**1 215**
	Shares owned by related parties: 13 449 591				
	Transactions with related parties 2014				
	Sales		8 562	0	0
	Purchases		2	0	0
	Receivables		1 708	0	156
	Liabilities		167	0	549
	Shares owned by related parties: 3 361 218				
	Fees paid to auditors			**2015**	2014
	Audit fees	KPMG		**-186**	-229
	Fees paid to auditors	KPMG		**-121**	-110
	Audit fees	Other		**-57**	0
	Total			**-364**	-339

PARENT COMPANY'S INCOME STATEMENT

1 000 EUROS	Note	1.1.–31.12.2015	1.1.–31.12.2014
Interest income	1.	2 624	2 877
Interest expenses	2.	-1 181	-1 799
NET INTEREST INCOME		1 443	1 077
Income from equity investments	3.		
Dividends from Associated companies		600	400
Dividends from financial assets valued at fair value		-244	413
Dividends from group companies		7 063	1 706
Fee and commission income	4.	31 663	29 503
Fee and commission expenses	5.	-1 838	-1 644
Net income from securities transactions and foreign exchange dealing	6.		
Net income from securities transactions		3 595	3 058
Net income from foreign exchange dealing		1 094	1 665
Other operating income	7.	2 619	4 223
NET REVENUE		45 996	40 402
Administrative expenses			
Personnel expenses	8.		
Wages and salaries		-14 756	-13 310
Other social security costs		-907	-803
Pension expenses		-2 797	-2 705
Other administrative expenses	9.	-12 719	-10 572
Depreciation, amortization and impairment charges	10.	-1 852	-2 424
Other operating expenses	11.	-3 401	-5 472
Impairment losses on loans and other receivables	12.	0	0
Impairment losses on other financial assets	12.	-1 573	-2 269
OPERATING PROFIT/LOSS		7 992	2 848
PROFIT BEFORE INCOME TAX		7 992	2 848
Income taxes	13.	-493	-575
PROFIT/LOSS FOR THE FINANCIAL YEAR		7 499	2 273

PARENT COMPANY'S BALANCE SHEET

1 000 EUROS	Note	31.12.2015	31.12.2014
ASSETS			
Cash and cash equivalents		**127 986**	103 998
Debt securities eligible for refinancing with central banks	16.		
Other		**38 461**	74 192
Claims on credit institutions	14.		
Repayable on demand		**73 376**	56 014
Other than those repayable on demand		**42 359**	49 294
Claims on the public and public sector entities	15.		
Other than those repayable on demand		**56 765**	58 041
Debt securities	16.		
On public sector entities		**91 507**	0
Other		**41 458**	32 769
Shares and participations	17.	**21 807**	28 616
Shares and participations in associates	18.	**4 354**	4 354
Shares and participations in group undertakings	18.	**21 241**	15 909
Derivative contracts	19.	**21 603**	32 035
Intangible assets	20.	**2 993**	3 539
Property, plant and equipment	21.	**931**	1 137
Other assets	22.	**71 173**	24 758
Accrued income and prepayments	23.	**1 911**	1 774
Deferred tax assets	24.	**441**	441
TOTAL ASSETS		**618 367**	486 869

PARENT COMPANY'S BALANCE SHEET

1 000 EUROS	Note	31.12.2015	31.12.2014
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities to credit institutions and central banks	25.		
Credit institutions			
Other than those repayable on demand		**5 530**	8 000
Liabilities to the public and public sector entities	26.		
Deposits			
Repayable on demand		**370 525**	311 086
Other		**281**	335
Other liabilities			
Other than those repayable on demand		**0**	92
Debt securities issued to the public	27.		
Bonds		**35 722**	33 095
Derivative contracts and other trading liabilities	28.	**36 468**	40 739
Other liabilities	29.	**99 240**	35 637
Accrued expenses and deferred income	30.	**6 172**	7 515
Deferred tax liabilities	31.	**68**	167
TOTAL LIABILITIES		**554 006**	436 667
EQUITY	32.		
Share capital		**30 194**	30 194
Share premium fund		**1 839**	1 839
Unrestricted reserves			
Fund of invested non-restricted equity		**24 976**	13 500
Retained earnings		**-148**	2 395
Profit/loss for financial year		**7 499**	2 273
TOTAL EQUITY		**64 361**	50 202
TOTAL LIABILITIES AND EQUITY		**618 367**	486 869

PARENT COMPANY'S STATEMENT OF CASH FLOW

1 000 EUROS	1.1.–31.12.2015	1.1.–31.12.2014
Cash flow from operating activities		
Interest and commission received and proceeds from securities transactions incl. dividends	**51 839**	45 031
Interest and commissions paid	**-3 233**	-3 448
Cash payments to employees and suppliers	**-31 838**	-31 896
Increase (-) or decrease in operating assets:		
Net change in trading book assets and liabilities	**-82 955**	29 032
Deposits held for regulatory or monetary control purposes	**6 935**	-24 243
Issue of loan capital	**2 627**	-37 626
Funds advanced to customers	**93 447**	56 662
Net cash from operating activities before income taxes	**36 824**	33 512
Income taxes	**-870**	-193
Net cash used in operating activities	**35 953**	33 319
Cash flow from investing activities		
Proceeds from sales of subsidiaries and associates	**-6 905**	5 062
Dividend received	**7 063**	1 706
Interest received	**47**	51
Acquisition of property, plant and equipment and intangible assets	**-1 099**	-256
Group loans receivables	**374**	472
Net cash used in investing activities	**-520**	7 036
Cash flow from financing activities		
Proceeds from issue of share capital	**14 853**	615
Purchase of own shares	**-75**	-176
Payment of finance lease liabilities	**-284**	-322
Dividends paid	**-8 584**	-4 271
Net cash from financing activities	**5 911**	-4 154
Net increase in cash and cash equivalents	**41 343**	36 200
Cash and cash equivalents at beginning of period	**160 011**	123 824
Effects of exchange rate changes on cash and cash equivalents	**0**	-13
Cash and cash equivalents* at end of periodt	**201 362**	160 011

* Cash and cash equivalents include cash and cash equivalents and claims on credit institutions repayable on demand.

PARENT COMPANY'S ACCOUNTING POLICIES

Basic information on the company

Evli Bank Plc is domiciled in Helsinki and its registered address is Aleksanterinkatu 19 A, 00100 Helsinki.

Evli Bank Plc's financial statements are prepared and presented in accordance with the regulations of the Act on Credit Institutions, the Ministry of Finance decision regarding credit institutions' and investment services providers' financial statements and the Financial Supervisory Authority's regulations. The Accounting Act and the regulations on financial statements of the Limited Liability Companies Act are complied with, with the exceptions stated in Section 30(2) of the Act on Credit Institutions.

Evli Bank Plc's notes to the separate financial statements correspond to the exceptions listed below with the exception of the Evli Group's principles.

Employee benefits

Evli finances all its retirement plans as payments to employee pension companies.

Income taxes

Deferred tax is generally calculated on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The largest temporary differences arise from the depreciation of fixed assets.

Leases

Leases of property, plant and equipment in which the company bears a substantial portion of the risks and rewards of ownership are classified as finance leases. In the parent company financial statements, the payment made on the basis of such leases are treated as rental expenses. The assets acquired through finance leases are also not recognized in the balance sheet.

Acquired businesses

Evli Bank Plc acquired Head Asset Management Ltd with a contract signed on September 30, 2015. After the Financial Supervisory Authority's approval, the share transaction was implemented on October 19, 2015. The acquisition is for 90,83 percent of the target company's share capital and voting rights.

NOTES TO INCOME STATEMENT

	1 000 EUROS			2015	2014
1.	**INTEREST INCOME**				
	At fair value through profit or loss				
	Debt securities			**820**	1 019
	Interest income from other loans and claims				
	Claims on credit institutions			**557**	798
	Claims on the public and public sector entities			**1 012**	1 057
	Other interest income			**236**	3
	Interest income, total			**2 624**	2 877
2.	**INTEREST EXPENSES**				
	Liabilities to the public, public sector entities and credit institutions			**-492**	-531
	Debt securities issued to the public			**-675**	-1 258
	Other interest expenses			**-15**	-11
	Interest expenses, total			**-1 181**	-1 799
3.	**NET INCOME FROM SECURITIES TRANSACTIONS AND FOREIGN EXCHANGE DEALING**				
	Dividends from Associated companies			**600**	400
	Dividends from financial assets valued at fair value			**-244**	413
	Dividends from group companies			**7 063**	1 706
	Income from equity investments, total			**7 420**	2 520
4.	**COMMISSION INCOME**				
	Credit related fees and commissions			**25**	47
	Income from payment transactions			**51**	24
	Advisory services			**1 108**	1 333
	Securities brokerage			**10 317**	8 086
	Mutual funds			**10 390**	11 321
	Asset management			**5 706**	5 165
	Custody services			**4 005**	3 385
	Other operations			**62**	143
	Commission income, total			**31 663**	29 503
5.	**COMMISSION EXPENSES**				
	Trading fees paid to stock exchanges			**-543**	-763
	Other			**-1 294**	-881
	Commission expenses, total			**-1 838**	-1 644
6.	**NET INCOME FROM SECURITIES TRANSACTIONS AND FOREIGN EXCHANGE DEALING**				
	Net income from securities transactions				
	Financial assets held for trading			**3 804**	2 503
	Financial assets at fair value through profit or loss			**-209**	555
	Financial assets available for sale			**0**	0
	Net income from securities transactions, total			**3 595**	3 058
	Net income from securities transactions by instrument	**Gains and losses on sales**	**Changes in fair value**	**Total**	Total
	Debt securities	**698**	**-416**	**282**	823
	Shares and derivative contracts	**3 556**	**-243**	**3 313**	2 235
	Net income from securities transactions, total	**4 255**	**-659**	**3 595**	3 058
	Net income from foreign exchange operations			**1 094**	1 665
	Net income from securities transactions and foreign exchange operations, total			**4 690**	4 724

1 000 EUROS				2015	2014
7.	**OTHER OPERATING INCOME**				
	Rental income			**275**	398
	Gain on sale of owner-occupied investment properties			**0**	2
	Profit from merger			**0**	2 153
	Other income			**2 343**	1 670
	Other operating income, total			**2 619**	4 223
8.	**EMPLOYEE BENEFITS**		**2015**		**2014**
	Wages and salaries		**-14 756**		-13 310
	- of which bonuses	**-1 744**		-1 317	
	Other social security costs		**-907**		-803
	- of which relating to bonuses	**-37**		-27	
	Pension expenses		**-2 797**		-2 705
	- of which relating to bonuses	**-314**		-315	
	- defined benefit plans	**0**		0	
	- defined contribution plans	**-2 797**		-2 705	
	Employee benefits, total		**-18 460**		-16 818
				2015	**2014**
	Number of personnel during the period, average			**164**	152
	Number of personnel at the end of the period			**166**	158
	Employees by business segment at the end of the period				
	Markets			**24**	24
	Corporate finance			**4**	3
	Asset management			**54**	51
	Administration and other			**84**	80
	Total			**166**	158
9.	**OTHER ADMINISTRATIVE EXPENSES**				
	Office maintenance expenses			**-488**	-502
	Office expenses			**-852**	-658
	Telephone and postage expenses			**-323**	-242
	Information expenses			**-2 391**	-1 911
	IT related expenses			**-3 438**	-3 662
	Business expenses			**-481**	-310
	Travel expenses			**-434**	-415
	Car costs			**-78**	-62
	Other human resources related expenses			**-633**	-386
	Marketing expenses			**-1 732**	-1 153
	Banking and custodian expenses			**-588**	-598
	External services fees			**-734**	-673
	Expenses related to IPO			**-545**	0
	Other administrative expenses, total			**-12 719**	-10 572
10.	**DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES**				
	Depreciation and amortization				
	Applications and software			**-1 050**	-1 317
	Other intangible assets			**-531**	-670
	Equipment and furniture			**-271**	-437
	Depreciation, amortization and impaiment losses, total			**-1 852**	-2 424

1 000 EUROS		2015	2014
11.	**OTHER OPERATING EXPENSES**		
	Supervision expenses	**-48**	-412
	Rental expenses	**-3 165**	-3 167
	Loss on merger	**0**	-1 886
	Other expenses	**-188**	-7
	Other operating expenses, total	**-3 401**	-5 472
12.	**IMPAIRMENT LOSSES ON LOANS AND OTHER COMMITMENTS AND OTHER FINANCIAL ASSETS**		
	Claims on the public and public sector entities		
	Impairment losses		0
	Other financial impairment losses		
	Impairment losses from subsidiary shares		-2 269
	Impairment losses, total		-2 269
13.	**INCOME TAXES**		
	Current tax expense	**-529**	-720
	Taxes from previous years	**-92**	-1
	Deferred taxes	**128**	146
	Other taxes	**0**	0
	Income taxes, total	**-493**	-575

NOTES TO BALANCE SHEET

1 000 EUROS		2015	2014
14.	CLAIMS ON CREDIT INSTITUTIONS		
	Repayable on demand		
	Domestic credit institutions	**69 117**	54 233
	Foreign credit institutions	**4 259**	1 780
	Repayable on demand, total	**73 376**	56 014
	Other than repayable on demand		
	Domestic credit institutions	**2 576**	23 181
	Foreign credit institutions	**39 783**	26 113
	Other than repayable on demand, total	**42 359**	49 294
	Claims on credit institutions, total	**115 735**	105 308
15.	CLAIMS ON THE PUBLIC AND PUBLIC SECTOR ENTITIES BY SECTOR		
	Repayable on demand		
	Other than repayable on demand		
	Enterprises and housing associations	**5 093**	2 550
	Financial and insurance corporations	**722**	843
	Households	**46 714**	49 626
	Foreign countries	**4 236**	5 022
	Other than repayable on demand, total	**56 765**	58 041
	Claims on the public and public sector entities by sector, total	**56 765**	58 041

		Publicly quoted	Other	2015 Total	2014 Total
16.	DEBT SECURITIES				
	Issued by public corporations				
	Local government notes	**0**	**91 507**	**91 507**	0
	Issued by public corporations, total	**0**	**91 507**	**91 507**	0
	Issued by other than public corporations				
	Banks' certificates of deposit	**0**	**0**	**0**	1 983
	Bonds issued by banks	**54 906**	**16 038**	**70 944**	101 267
	Other debt securities	**8 871**	**105**	**8 976**	3 711
	Issued by other than public corporations, total	**63 777**	**16 143**	**79 920**	106 961
	Debt securities, total			**171 426**	106 961
	Debt securities by balance sheet category				
	Debt securities eligible for refinancing with central banks				
	On public sector entities			**0**	0
	Other			**38 461**	74 192
	Debt securities				
	On public sector entities			**91 507**	0
	Other			**41 458**	32 769
	Total			**171 426**	106 961
	Debt securities by country				
	Finland			**122 685**	18 718
	Australia			**14 435**	18 055
	Sweden			**13 129**	14 559
	Canada			**13 003**	8 029
	Holland			**6 008**	23 563
	France			**2 168**	3 004
	United States			**0**	13 006
	Switzerland			**0**	8 018
	Luxembourg			0	8

1 000 EUROS				
17.	**SHARES AND PARTICIPATIONS**			
	Fair valued through profit or loss			
	2015			
	Balance sheet category	**Publicly quoted**	**Other**	**Total**
	Shares and participations			
	Available for sale	**0**	**0**	**0**
	Valued at fair value throuh profit or loss			
	Held for trading	**14 461**	**112**	**14 573**
	Other	**419**	**6 815**	**7 234**
	Shares and participations, total	**14 880**	**6 927**	**21 807**
	2014			
	Balance sheet category	Publicly quoted	Other	Total
	Shares and participations			
	Available for sale	0	0	0
	Valued at fair value throuh profit or loss			
	Held for trading	21 768	80	21 848
	Other	435	6 332	6 768
	Shares and participations, total	22 204	6 412	28 617
	Net risk position is described on the section 'Risk Management', 'Market risks'.			

18.	**SHARES AND PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES**	**2015**	2014
	At the beginning of the period	**4 354**	4 354
	Additions	**0**	0
	Disposals	**0**	0
	At the end of the period	**4 354**	4 354
	Shares and participations in group undertakings		
	At the beginning of the period	**15 909**	22 868
	Additions	**6 905**	21
	Impairment	**-1 573**	-2 269
	Other reductions	**0**	-4712
	At the end of the period	**21 241**	15 909

1 000 EUROS

19. DERIVATIVE CONTRACTS

Overall effect of risks associated with derivative contracts	Nominal value of underlying, brutto				2015	2015
	Remaining maturity					
Held for trading	**Less than 1 year**	**1–5 years**	**5–15 years**	**Fair value (+/-)**	**ASSETS**	**LIABILITIES**
Interest rate derivatives						
Interest rate swaps	**0**	**7 394**	**2 870**	**0**	**0**	**0**
Currency-linked derivatives	**2 306 309**	**0**	**0**	**270**	**17 676**	**17 406**
Equity-linked derivatives						
Futures	**6 179**	**0**	**0**	**305**	**385**	**80**
Options bought	**26 441**	**27 349**	**2 750**	**2 259**	**2 394**	**135**
Options sold	**45 890**	**27 430**	**2 750**	**-3 810**	**1 148**	**4 958**
Other derivatives						
Held for trading, total	**2 384 820**	**62 173**	**8 370**	**-976**	**21 603**	**22 579**
Derivative contracts, total	**2 384 820**	**62 173**	**8 370**	**-976**	**21 603**	**22 579**

Overall effect of risks associated with derivative contracts					2014	2014
Held for trading						
Interest rate derivatives						
Interest rate swaps	0	3 184	2 870	0	0	0
Currency-linked derivatives	1 767 795	0	0	141	24 988	24 847
Equity-linked derivatives						
Futures	15 563	0	0	642	764	122
Bought	27 805	17 400	0	5 825	5 891	66
Sold	69 313	17 400	0	-7 272	392	7 665
Other derivatives						
Held for trading, total	1 880 476	37 984	2 870	-665	32 035	32 700
Derivative contracts, total	1 880 476	37 984	2 870	-665	32 035	32 700

Equity derivatives held for trading, and other liabilities held for trading (notes 19 and 28) hedge the equity delta risk for shares and participations in the tradingbook (note 17). The delta-adjusted equity risk was at the end of 2015 EUR 7.4 million, including shares and participations in the banking book.

Equity derivatives in the banking book hedge the equity risk in equity-linked bonds issued to the public.

The interest rate derivatives hedge the interest rate risk in assets and liabilities in the balance sheet.

Currency derivatives comprise commitments made against clients and the associated hedges, and contracts made to hedge currency risk in the balance sheet. The net open risk position of the total amount is small. The largest part of the contracts are in SEK (EUR 1 124 million), and in GBP (EUR 679 million).

1 000 EUROS		2015	2014
20.	**INTANGIBLE ASSETS**		
	Software or projects in progress		
	Cost at 1.1.	38	0
	Increases	906	38
	Cost at 31.12.	944	38
	Book value at 31.12.	944	38
	Applications and software		
	Cost at 1.1.	16 230	16 222
	Exchange difference	0	-4
	Increases	123	84
	Decreases	0	-71
	Cost at 31.12.	16 354	16 230
	Accumulated amortisation and impairment losses at 1.1.	-14 315	-13 073
	Exchange difference	0	4
	Amortisation for the period	-1 050	-1 317
	Accumulated amortisation in respect of decreases	0	71
	Accumulated amortisation and impairment losses at 31.12.	-15 365	-14 315
	Book value at 31.12.	989	1 915
	Depreciation leasehold improvements FAS		
	Acquisition cost at 1.1.	1 401	4 376
	Exchange difference	0	-2
	Decreases	0	-2 973
	Acquisition cost at 31.12.	1 401	1 401
	Accumulated depreciation at 1.1.	-470	-3 314
	Exchange difference	0	2
	Depreciation for the period	-131	-131
	Translation difference from depreciation for the period	0	0
	Accumulated depreciation in respect of decreases	0	2 973
	Accumulated depreciation at 31.12.	-601	-470
	Book value at 31.12.	800	931
	Other intangible assets		
	Cost at 1.1.	4 215	4 145
	Increases	0	70
	Decreases	-18	0
	Cost at 31.12.	4 197	4 215
	Accumulated amortisation and impairment losses at 1.1.	-3 561	-3 022
	Amortisation for the period	-400	-538
	Accumulated depreciation in respect of decreases	23	0
	Accumulated amortisation and impairment losses at 31.12.	-3 937	-3 561
	Book value at 31.12.	260	655
	Intangible assets, total at 31.12.	2 993	3 539
	Book value of intangible assets at 31.12.	2 993	3 539

1 000 EUROS		2015	2014
21.	**PROPERTY, PLANT AND EQUIPMENT**		
	Equipment and furniture		
	Cost at 1.1.	**6 274**	6 885
	Exchange difference	**0**	-38
	Increases	**64**	53
	Decreases	**0**	-626
	Cost at 31.12.	**6 339**	6 274
	Accumulated depreciation at 1.1.	**-5 738**	-5 973
	Exchange difference	**0**	38
	Depreciation for the period	**-271**	-437
	Translation difference from depreciation for the period	**0**	1
	Accumulated depreciation in respect of decreases	**0**	633
	Accumulated depreciation 31.12.	**-6 009**	-5 738
	Book value at 31.12.	**330**	536
	Property, plant, and equipment, total 31.12.	**330**	536
	Other tangible assets		
	Cost at 1.1.	**601**	589
	Increases	**0**	12
	Cost at 31.12.	**601**	601
	Book value at 31.12.	**601**	601
	Property, plant and equipment, total at 31.12.	**931**	1 137
	Book value of tangible assets at 31.12.	**931**	1 137

	1 000 EUROS	2015	2014
22.	**OTHER ASSETS**		
	Securities sale receivables	**1 581**	591
	Commission receivables	**2 744**	2 921
	Securities broking receivables	**66 105**	20 634
	Other receivables	**744**	611
	Other assets total	**71 173**	24 758
23.	**ACCRUED INCOME AND PREPAYMENTS**		
	Interest	**414**	230
	Taxes	**100**	25
	Staff-related	**23**	377
	Other items	**1 374**	1 142
	Accrued income and prepayments total	**1 911**	1 774
24.	**Deferred tax assets**		
	Due to timing differences	**441**	441
	Deferred tax assets total	**441**	441
	Deferred tax assets result from timing differences in fixed asset depreciation.		
25.	**LIABILITIES TO CREDIT INSTITUTIONS AND CENTRAL BANKS**		
	Credit institutions		
	Repayable on demand	**0**	0
	Other than repayable on demand	**5 530**	8 000
	Liabilities to credit institutions and central banks, total	**5 530**	8 000
26.	**LIABILITIES TO THE PUBLIC AND PUBLIC SECTOR ENTITIES**		
	Deposits		
	Repayable on demand	**370 525**	311 086
	Other than repayable on demand	**281**	335
	Other liabilities		
	Other than repayable on demand	**0**	92
	Liabilities to the public and public sector entities, total	**370 807**	311 514
27.	**DEBT SECURITIES ISSUED TO THE PUBLIC**		
	Certificate of deposits	**0**	0
	Bonds	**35 722**	33 095
	Debt securities issued to the public, total	**35 722**	33 095
	Changes in bonds issued to the public		
	Issues	**14 959**	15 968
	Repurchases	**12 268**	43 169
28.	**DERIVATIVE CONTRACTS AND OTHER LIABILITIES HELD FOR TRADING**		
	Derivative contracts	**22 579**	32 700
	Due to short selling of shares	**13 889**	8 039
	Derivative contracts and other liabilities held for trading, total	**36 468**	40 739

1 000 EUROS		2015	2014
29.	**BREAKDOWN OF OTHER LIABILITIES**		
	Securities broking liabilities	**75 582**	22 254
	Securities purchase liabilities	**15 213**	368
	Income tax payable	**64**	71
	Personnel related	**507**	442
	Other short-term liabilities	**4 083**	1 323
	Prepayments of cash customers	**3 505**	10 833
	VAT payable	**285**	345
	Other liabilities, total	**99 240**	35 637
30.	**ACCRUED EXPENSES AND DEFERRED INCOME**		
	Interest	**214**	428
	Tax payables	**36**	232
	Personnel related	**5 170**	4 818
	Other accrued expenses	**751**	2 037
	Accrued expenses and deferred income, total	**6 172**	7 515
31.	**DEFERRED TAX LIABILITIES**		
	Due to timing differences	**68**	167
	Deferred tax liability, total	**68**	167
32.	**CHANGES IN EQUITY CAPITAL**		
	Share capital		
	Book value 1.1	**30 194**	30 194
	Book value 31.12	**30 194**	30 194
	Share premium		
	Book value 1.1	**1 839**	1 839
	Book value 31.12	**1 839**	1 839
	Fund of invested non-restricted equity		
	Book value 1.1	**13 500**	13 061
	Increases	**15 798**	615
	Decreases	**-4 247**	0
	Acquisition of own shares	**-75**	-176
	Book value 31.12	**24 976**	13 500
	Retained earnings from previous years		
	Book value 1.1	**4 668**	6 629
	Increases	**20**	37
	Decreases	**-4 836**	-4 271
	Acquisition of own shares	**0**	0
	Transfers between other items		
	Book value 31.12	**-148**	2 395
	Profit/loss for financial year	**7 499**	2 273
33.	**OWN SHARES HELD BY THE CREDIT INSTITUTION**		
	The company acquired a total of 6 250 shares during 2015.		
	The cost of purchase EUR 74 963 has been deducted from unrestricted equity.		
	The company's Board of Directors decided to annul the remaining Evli shares held by the company on September 8, 2015.		
	On December 31, 2015 the company didn't hold any own shares.		
34.	**SHARE CAPITAL, PARENT COMPANY**		
	Evli has two share series: series A and series B, whose rights are determined in the manner specified in the amended Articles of Association. The main difference between the share series concerns the voting rights. The A share confers 20 votes in a General Meeting while a B share confers one vote.		
	Number of A shares 16 971 136 pcs		
	Number of B shares 6 342 784 pcs		
	Total number of shares is 23 313 920 pcs		

1 000 EUROS

35. CHANGES IN THE SHARE CAPITAL, BOARD AUTHORIZATIONS AND OPTION PROGRAMS

			Number of own shares held	Number of outstanding shares	Share capital
1.1.2014			39 325	4 052 184	30 194
Aquisition of own shares 2013 authorization			2 000	-2 000	0
Aquisition of own shares 2014 authorization			10 150	-10 150	0
Nullification of own shares 2014 authorization			-46 350	0	0
Share issue 2014 authorization			0	51 500	0
31.12.2014			5 125	4 091 534	30 194
Total number of shares				4 096 659	
1.1.2015			**5 125**	**4 091 534**	**30 194**
Aquisition of own shares 2015 authorization			**6 250**	**-6 250**	**0**
Nullification of own shares 2015 authorization			**-11 375**	**0**	**0**
Share issue 2014 authorization			**0**	**157 500**	**0**
Additional return of capital 2015 authorization			**0**	**0**	**0**
Share issue 2015 authorization			**0**	**16 971 136**	**0**
IPO 2015 authorization			**0**	**2 100 000**	**0**
31.12.2015			**0**	**23 313 920**	**30 194**
Total number of shares				**23 313 920**	

Option programs

The company issued 127,500 stock options during the 2014 financial year, and these were all subscribed during the subscription period and were outstanding at the end of the period. Description of the stock option program on page 23 Share-based compensation.

Share premium fund

The share premium fund comprises the following items: the amount exceeding the counter-book value of the share paid for shares prior to September 1, 2006 in a new issue; the amount paid for a subscription right based on an option right; gain on sale of the company's own shares; and the amount by which the share capital is lowered and which is not used to cover an adopted loss, transferred to a fund to be used in accordance with the decision of the general meeting of the shareholders or distributed to the shareholders.

Fund of invested non-restricted equity

The fund of invested non-restricted equity includes the proceeds from the disposals of own shares received after 1 September 2006.

36. LARGEST SHAREHOLDERS AND SHARE OWNERSHIP BREAKDOWN

	A-shares	B-shares	Shares total
Oy Prandium Ab (Thomas Thesleff with family)	**3 803 280**	**950 820**	**4 754 100**
Oy Scripo Ab (Henrik Andersin)	**3 803 280**	**950 820**	**4 754 100**
Oy Fincorp Ab (Roger Kempe)	**2 319 780**	**579 945**	**2 899 725**
Ingman Group Oy Ab	**1 860 000**	**500 000**	**2 360 000**
Lehtimäki Maunu	**433 728**	**108 432**	**542 160**
Tallberg Claes	**369 756**	**92 439**	**462 195**
Hollfast John	**328 320**	**82 080**	**410 400**
Thunekov AB	**224 000**	**56 000**	**280 000**
Ridgeback Advisory	**210 000**	**52 500**	**262 500**
Dudarev Grigory	**201 540**	**50 385**	**251 925**
	13 553 684	**3 423 421**	**16 977 105**
Others	**3417452**	**2 919 363**	**6 336 815**
Total	**16 971 136**	**6 342 784**	**23 313 920**

1 000 EUROS

Breakdown of shareholdings by owner group	Number of shareholders	Number of shares	Number of votes	Proportion of shareholders, %	Proportion of shares, %	Proportion of votes, %
National economy total (domestic sector)						
1. Households	2 417	5 927 656	84 284 416	91.5	25.4	24.4
2. Companies	172	15 723 130	245 339 954	6.5	67.4	71.0
3. Financial and insurance institutions	19	601 486	601 486	0.7	2.6	0.2
4. Non-profit institutions	7	76 936	76 936	0.3	0.3	0.0
Foreigners						
5. European Union	9	32 508	260 508	0.3	0.1	0.1
6. Other countries	18	952 204	15 202 204	0.7	4.1	4.4
Total	2 642	23 313 920	345 765 504	100	100	100

Breakdown of shareholdings by size class	Number of shareholders	Number of shares	Number of votes	Proportion of shareholders, %	Proportion of shares, %	Proportion of votes, %
1. 1–100	395	34 860	34 860	15.0	0.1	0.0
2. 101–500	1 818	299 240	299 240	68.8	1.3	0.1
3. 501–1 000	145	104 564	104 564	5.5	0.4	0.0
4. 1 001–5 000	163	373 070	479 470	6.2	1.6	0.1
5. 5 001–10 000	29	207 145	1 001 345	1.1	0.9	0.3
6. 10 001–50 000	49	1 226 300	10 836 652	1.9	5.3	3.1
7. 50 001–100 000	17	1 225 464	14 432 440	0.6	5.3	4.2
8. 100 001–500 000	21	4 533 192	71 085 556	0.8	19.4	20.6
9. 500 001–	5	15 310 085	247 491 377	0.2	65.7	71.6
Total	2 642	23 313 920	345 765 504	100	100	100

37. MATURITIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES OF CREDIT INSTITUTION

Due to the nature of the business, predicting future cashflows is difficult, especially for derivative contracts. The maturities of derivatives are also provided in note 19, with the nominal value of the underlying instrument as basis, which does not conform to real cash flows. Debt securities, loans and other claims, derivatives and financial liabilities at amortized cost are reported in the maturity class according to the maturity of the instrument. Shares and participations are reported so that quoted shares in the trading book and quoted mutual funds are in the shortest maturity period,. Unquoted shares are reported according to the estimated liquidation period, and venture capital- and real estate funds are reported according to the expected ending day of the fund.

2015	less than 3 months	3–12 months	1–5 years	5–10 years	more than 10 years	Total
Assets						
Cash and cash equivalents	127 986					127 986
Loans and other claims						
Claims on credit institutions	115 735	0	0	0	0	115 735
Claims on the public and public sector entities	2 568	24 270	29 484	443	0	56 765
Financial assets at fair value through profit or loss						
Debt securities eligible for refinancing with central banks	1 000	12 518	24 944	0	0	38 461
Debt securities	91 252	17 520	24 088	105	0	132 965
Shares and participations	14 993	417	4 634	1 764	0	21 807
Derivative contracts	15 901	5 198	504	0	0	21 603
Financial assets available for sale						
Shares and participations	0	0	0	0	0	0
Accrued interest	346	68	0	0	0	414
Debts						
Financial liabilities at amortized cost						
Liabilities to credit institutions	3 530	2 000	0	0	0	5 530
Liabilities to the public and public sector entities	370 620	172	15	0	0	370 807
Debt securities issued to the public	200	4 078	24 725	6 720	0	35 722
Subordinated liabilities	0	0	0	0	0	0
Financial liabilities at fair value through profit or loss	30 020	5 920	528	0	0	36 468
Accrued interest	213	1	0	0	0	214
Off-balance sheet commitments	7 903	392	170	0	0	8 465

1 000 EUROS

2014						
Assets						
Cash and cash equivalents	103 998	0	0	0	0	103 998
Loans and other claims						
Claims on credit institutions	105 308	0	0	0	0	105 308
Claims on the public and public sector entities	2 538	16 729	38 272	502	0	58 041
Financial assets at fair value through profit or loss						
Debt securities eligible for refinancing with central banks	0	0	74 192	0	0	74 192
Debt securities	16	1 988	30 177	588	0	32 769
Shares and participations	22 204	204	4 324	1 884	0	28 616
Derivative contracts	23 240	4 389	4 406	0	0	32 035
Financial assets available for sale						
Shares and participations	0	0	0	0	0	0
Accrued interest	24	206	0	0	0	230
Debts						
Financial liabilities at amortized cost						
Liabilities to credit institutions	7 000	1 000	0	0	0	8 000
Liabilities to the public and public sector entities	311 214	241	59	0	0	311 514
Debt securities issued to the public	3 662	888	25 674	2 870	0	33 095
Financial liabilities at fair value through profit or loss	32 132	4 208	4 399			40 739
Accrued interest	426	3	0			428
Off-balance sheet commitments	2 989	121	869	186	0	4 164

Commitments outside the balance sheet are presented in Note 44.

38. ASSETS AND LIABILITIES DENOMINATED IN DOMESTIC AND FOREIGN CURRENCY

Balance sheet item	**Domestic**	**Foreign currency**	**2015 Total**	Domestic	Foreign currency	2014 Total
Loans and other claims						
Cash on hand	**127 986**	**0**	**127 986**	103 998	0	103 998
Claims on credit institutions	**111 842**	**3 893**	**115 735**	103 516	1 792	105 308
Claims on the public and public sector entities	**56 764**	**1**	**56 765**	58 041	0	58 041
Financial assets at fair value through profit or loss						
Debt securities	**171 426**	**0**	**171 426**	106 945	16	106 961
Shares and participations	**19 113**	**2 694**	**21 807**	19 788	8 827	28 616
Derivative financial instruments	**21 559**	**44**	**21 603**	31 767	268	32 035
Other assets	**95 266**	**7 778**	**103 043**	46 887	5 024	51 911
Total	**603 957**	**14 410**	**618 367**	470 942	15 927	486 869
Financial liabilities at amortized cost						
Liabilities to credit institutions	**5 530**	**0**	**5 530**	8 000	0	8 000
Liabilities to the public and public sector entities	**330 269**	**40 538**	**370 807**	283 646	27 868	311 514
Debt securities issued to the public	**35 722**	**0**	**35 722**	33 095	0	33 095
Financial assets at fair value through profit or loss						
Derivative contracts and liabilities held for trading	**36 446**	**22**	**36 468**	40 107	632	40 739
Other liabilities	**92 497**	**12 983**	**105 480**	27 811	15 508	43 319
Total	**500 464**	**53 542**	**554 006**	392 659	44 007	436 667

The largest foreign currency assets and liabilities are in SEK (assets EUR 8.6 million, liabilities EUR 24.2 million) and USD (assets EUR 2.6 million, liabilities EUR 26.4 million).

39. SECURITIES LENDING

	2015	2014
Market value of securities lending at 31.12., lent in	**15 830**	29 497
Market value of securities lending at 31.12., lent out	**392**	0

1 000 EUROS			
40.	FAIR VALUES AND BOOK VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES	Book value	Fair value
		2015	2015
	Liquid assets	127 986	127 986
	Debt securities eligible for refinancing with central banks	38 461	38 461
	Claims on credit institutions	115 735	115 735
	Claims on the public and public sector entities	56 765	56 765
	Debt securities	132 965	132 965
	Shares and participations	21 807	21 807
	Shares and participations in group undertakings	21 241	21 241
	Derivative contracts	21 603	21 603
	Financial liabilities		
	Liabilities to credit institutions	5 530	5 530
	Liabilities to the public and public sectory entities	370 807	370 807
	Debt securities issued to the public	35 722	35 071
	Derivative contracts and other trading liabilities	36 468	36 468
41.	ASSETS PLEDGED AS COLLATERAL AND OTHER COMMITMENTS	2015	2014
	Securities	38 500	43 000
	Cash deposits	42 359	49 294
	Usage of collateral		
	Markeplace collateral, stock- and derivatives trades	33 545	19 624
	Collateral for currency trades	2 607	19 478
	Collateral for securities lending	9 206	18 192
	Bank of Finland, collateral for daily limit account	35 500	35 000
42.	OPERATING LEASES		
	Not later than one year	176	275
	Over year not later than five year	151	172
43.	OTHER RENTAL COMMITMENTS		
	Rental liabilities up to one year	2 411	2 777
	Rental liabilities over one year and less than 5 years	196	2 951
	Rental liabilities over 5 years	0	0
44.	BREAKDOWN OF OFF-BALANCE SHEET COMMITMENTS		
	Commitments given to a third party on behalf of a customer *	4 963	5 257
	Irrevocable commitments given in favour of a customer	562	555
	Guarantees on behalf of others	500	621
	Unused credit facilities, given to clients	2 441	2 989
	* Commitments given on behalf of a customer for a third party include collaterals for derivatives positions given on behalf of customers in Nasdaq OMX and New Edge. The customers have covered their collateral to Evli in full. Other irrevocable commitments given on behalf of a customer comprise subscription commitments guaranteed on behalf of customers.		
45.	ASSET MANAGEMENT SERVICES OFFERED BY THE CREDIT INSTITUTION (M€)		
	Assets under management at Evli Bank's Asset Management as of 31 December		
	Gross	10 263	8 437
	Net	7 559	6 327
	Assets under management on the basis of power of attorney		
	Discretionary asset management	3 926	3 091
	Consultative asset management	155	132
	Total	4 081	3 223

THE BOARD OF DIRECTORS' PROPOSAL TO THE GENERAL MEETING FOR THE DISTRIBUTION OF PROFIT

The parent company's distributable assets of 31st of December 2015 total EUR 32,327,244.28 which of retained earnings EUR 7,351,232.85 and reserve for invested unrestricted equity EUR 24,976,011.43. The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 0.31 per share be paid, totaling EUR 7,227,315.20.

There has not been major changes in company's financial position after the end of the financial year. The Board of Directors feel that the proposed distribution of profit does not endanger the liquidity of the company.

Helsinki, February 15, 2016

Henrik Andersin
Chairman

Robert Ingman

Harri-Pekka Kaukonen

Johanna Lamminen

Mikael Lilius

Teuvo Salminen

Thomas Thesleff

Maunu Lehtimäki
Chief Executive Officer

AUDITORS' REPORT

To the Annual General Meeting of Evli Bank plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Evli Bank plc for the year ended on 31 December 2015. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act, Finnish Credit Institutions Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 15 February 2016

KPMG OY AB

Marcus Tötterman
Authorized Public Accountant in Finland

BOARD OF DIRECTORS

The composition of the Board of Directors was resolved at Evli Bank Plc's Annual General Meeting on March 6, 2015.

Henrik Andersin, born 1960
M.Sc. (Econ.)
- One of Evli Bank's founding partners and main owners
- Chairman of the Board of Directors of Nokian Panimo Oy
- Member of the Board of Directors of Evli Bank Plc since 1985, CEO of Evli Bank Plc 1994–2006 and Chairman of the Board since 2006
- Shareholding: Holdings of interest parties 3 803 280 A shares and 950 820 B shares

Harri-Pekka Kaukonen, born 1963
D.Sc. (Tech.)
- President and CEO of Sanoma Group 2011–2015
- Member of the Board of Directors of Evli Bank Plc since 2008
- Shareholding: 1 991 B shares

Robert Ingman, born 1961
M.Sc. (Tech.), M.Sc. (Econ. and Business Administration)
- Chairman of the Boards of Directors of Ingman Group Oy Ab, Etteplan Oyj and Halti Oy, Member of the Boards of Directors of Arla Ingman Oy Ab, Digia Oyj and M-Brain Oy
- Member of the Board of Directors of Evli Bank Plc since 2010
- Shareholding: Holdings of interest parties 1 860 000 A shares and 500 274 B shares

Johanna Lamminen, born 1966
Licentiate in Technology, MBA
- Managing Director of Gasum Ltd.
- Member of the Board of Directors of Evli Bank Plc since October 2015
- Shareholding: 306 B shares

Mikael Lilius, born 1949
B.Sc. (Econ. and Business Administration)

- Previously served as a Senior Advisor at Fortum Corporation
- President and CEO of Fortum Corporation 2000–2009, and before this held various supervisory positions in the industry sector
- Chairman of the Boards of Directors of Metso Oyj, Wärtsilä Oyj and Mehiläinen Oyj, Member of the Board of Directors of Oy Kelonia Ab
- Member of the Board of Directors of Evli Bank Plc since 2010.
- Shareholding: 11 795 B shares

Thomas Thesleff, born 1951
M.A.

- One of Evli Bank's founding partners and main owners
- In addition to Evli, holds several posts of trust
- Member of the Board of Directors of Evli Bank Plc since 1985, CEO of Evli Bank Plc 1985–1994 and Chairman of the Board 1994–2006
- Shareholding: Holdings of interest parties 3 803 280 A shares and 950 820 B shares

Teuvo Salminen born 1954
M.Sc. (Econ. and Business Administration)

- Various supervisory positions in Pöyry Plc 1985–2009
- Chairman of the Board of Directors of Havator Oy, Member of the Boards of Directors of Holiday Club Resorts Oy, Cargotec Oyj, Glaston Oyj, Tieto Oyj and YIT Oyj
- Member of the Board of Directors of Evli Bank Plc since 2010
- Shareholding: 5 986 B shares

Shareholdings on February 15, 2016

MANAGEMENT GROUP

Maunu Lehtimäki
M.Sc. (Econ.), born 1967

- Chief Executive Officer
- Joined Evli Bank Plc in 1996
- Shareholding: 433 728 A shares and 108 432 B shares, holdings of interest parties 201 B shares

Mari Etholén
LLB, born 1973

- Head of HR and Legal Affairs
- Joined Evli Bank Plc in 2001
- Shareholding: 60 000 A shares and 15 306 B shares, holdings of interest parties 222 B shares

Panu Jousimies
M.Sc. (Econ.), born 1969

- Head of Capital Markets
- Joined Evli Bank Plc in 1997
- Shareholding: 179 072 A shares and 44 868 B shares, holdings of interest parties 400 B shares

Lea Keinänen
Certificate in Business Studies, MBA, born 1966

- Deputy to the CEO
- Head of Wealth Management, Funds
- Joined Evli Bank Plc in 1998
- Shareholding: 138 848 A shares and 34 712 B shares

Juho Mikola
M.Sc. (Econ.), born 1981

- Chief Financial Officer
- Joined Evli Bank Plc in 2004
- Shareholding: 68 000 A shares and 17 219 B shares

Esa Pensala
M.Sc. (Tech.), born 1974

- Head of Wealth Management Advisory
- Joined Evli Bank Plc in 2001
- Shareholding: 142 000 A shares and 35 500 B shares

Mikael Thunved
B.Sc. (Econ.), born 1965

- Managing Director, Corporate Finance
- Joined Evli Bank Plc in 2002
- Shareholding: 522 B shares, holdings of interest parties 224 000 A shares and 56 000 B shares

Shareholdings on February 15, 2016

Evli Bank Plc
Aleksanterinkatu 19 A
P.O. Box 1081
FI-00101 Helsinki, Finland
Tel. +358 (0)9 476 690
Fax +358 (0)9 661 387
www.evli.com

EVLI